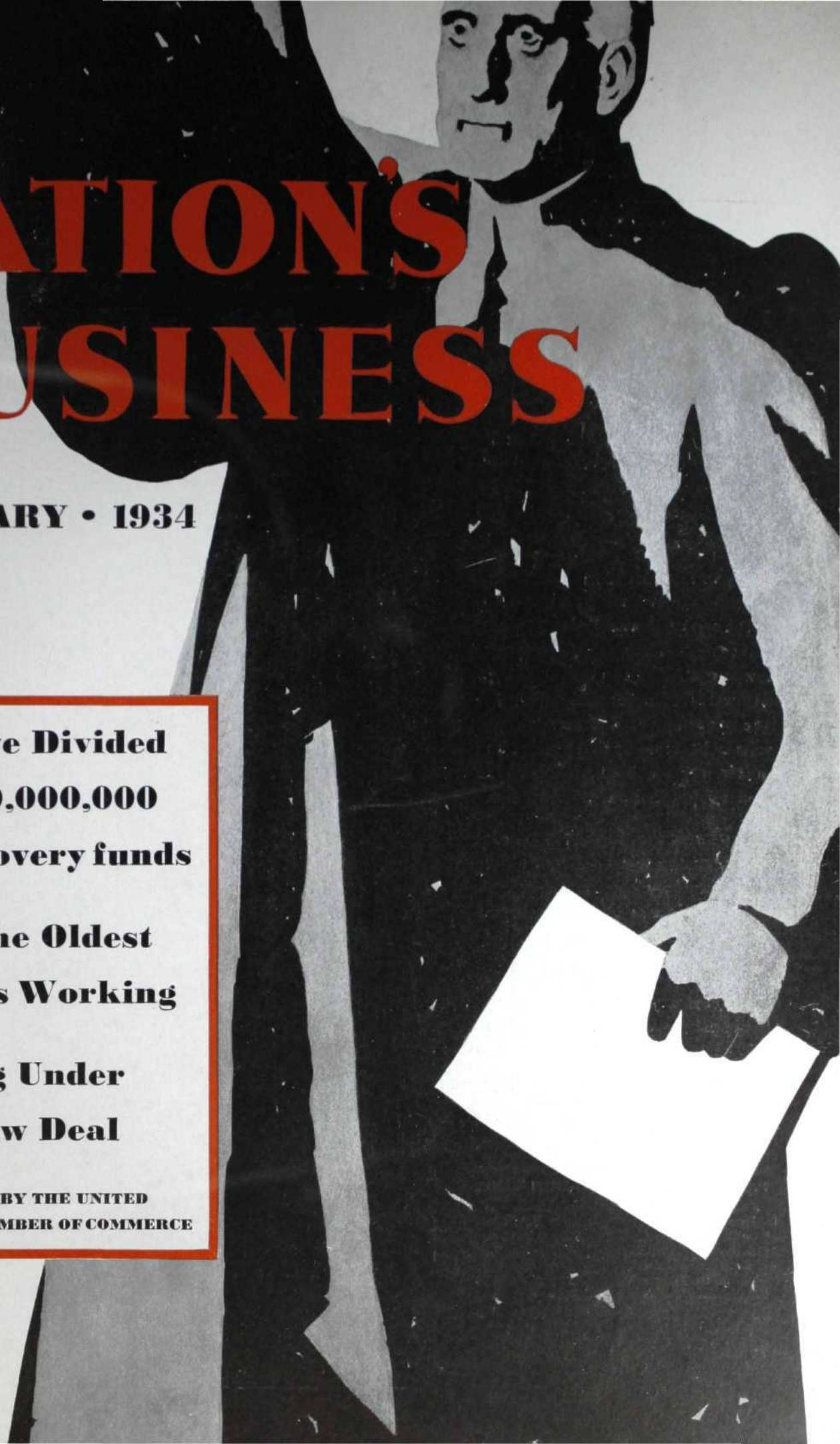
NATION'S BUSINESS

FEBRUARY • 1934



How we Divided
$3,300,000,000
of Recovery funds

★

How the Oldest
Code is Working

★

Selling Under
the New Deal

PUBLISHED BY THE UNITED
STATES CHAMBER OF COMMERCE

NRA
U.S.
WE DO OUR PART

BROADER HORIZONS

MANY business men are discovering that their activities need no longer be limited to former boundaries. They are reaching out by telephone into new fields . . . developing new markets . . . finding new and unsuspected ways to make and save money.

Are you interested in increasing sales? By alternating telephone calls with personal visits, you can reach many more people, at lower cost. You can scout out new customers who formerly were beyond your reach. And you can give your old customers that prompt and satisfactory service which so often means repeat business.

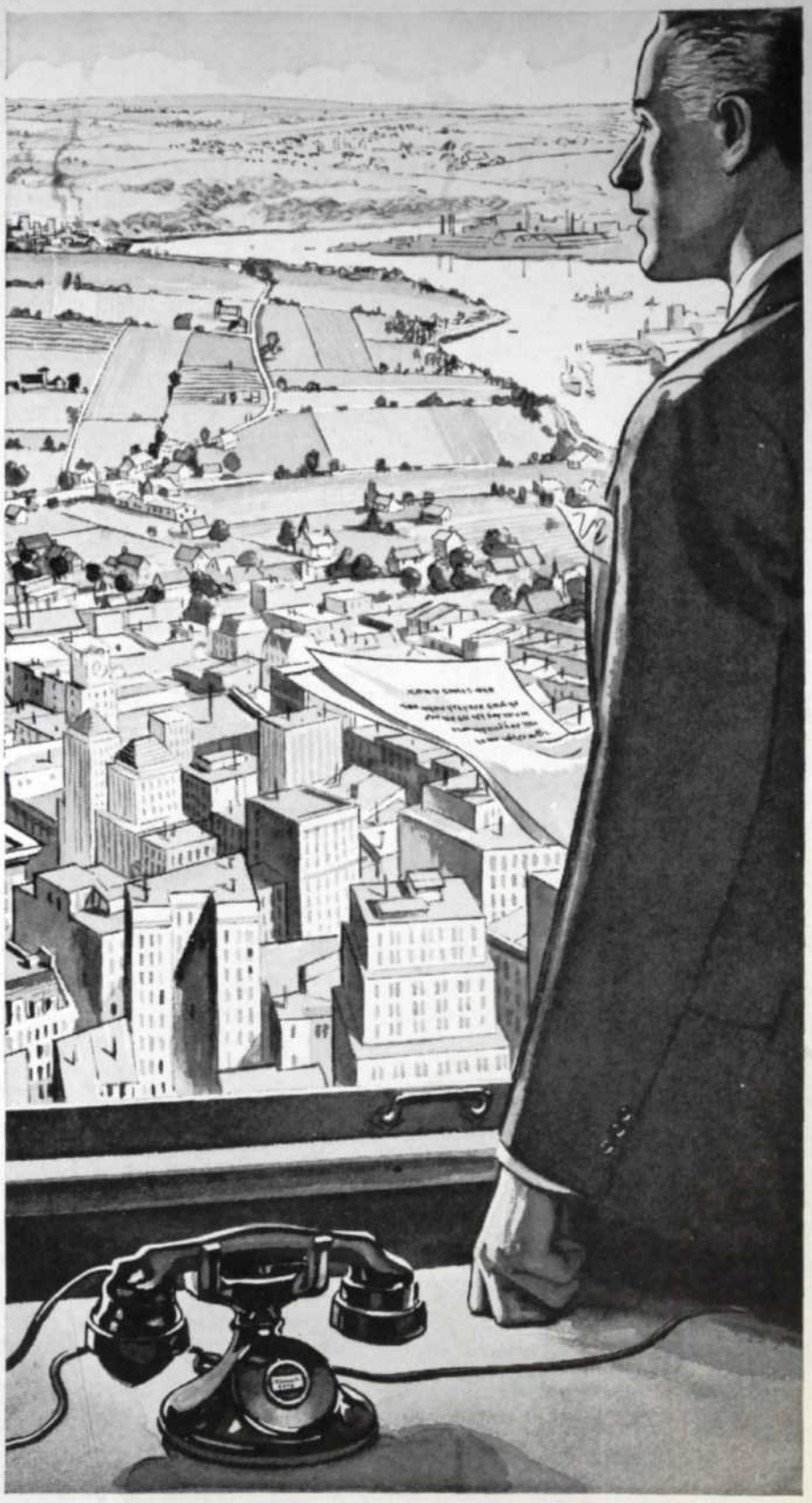
Are you a merchant? The next time a customer asks for an article not in stock, telephone for it. This is direct evidence to him of your personal interest in his patronage.

Are you making purchases? By telephoning, you frequently can get better prices, or better delivery dates.

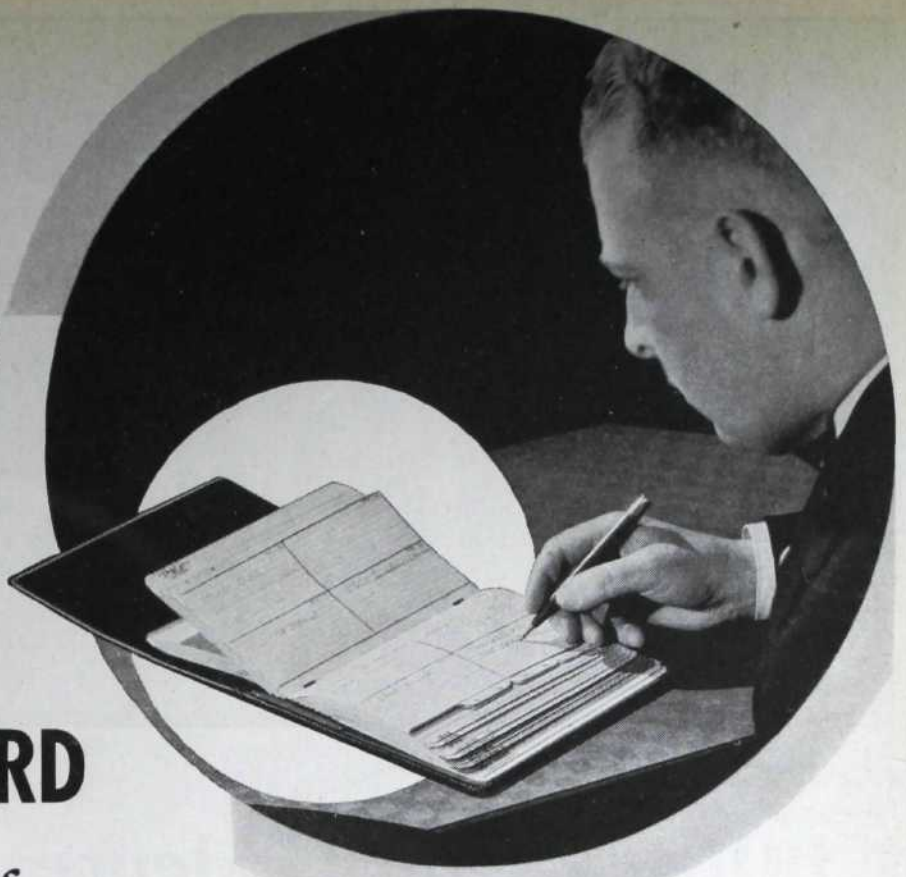
Wherever your own particular interest lies, the chances are you can extend your activities . . . broaden your horizon . . . with the help of Long Distance.

TYPICAL STATION-TO-STATION RATES

From	*To*	*Day-time*	*7 P.M.*	*8:30 P.M.*
New Haven	Boston	$.70	$.60	$.40
Chicago	Grand Rapids	.75	.65	.45
St. Louis	Omaha	1.65	1.40	.95
Philadelphia	Jacksonville	3.00	2.45	1.65
San Francisco	Washington, D.C.	8.50	6.75	5.00



25,000 EXECUTIVES AND DEPARTMENT HEADS ORDERED *this NEW* ACME VISIBLE RECORD *within 90 days*



● In January over 25,000 more executives and department heads started using the new Acme Da-Log—a combined calendar and business diary built on the Acme visible principle. Here is another dramatic illustration of how rapidly business leaders are adopting Acme Visible Equipment.

This widespread use of the new Acme Da-Log has revealed to each of them the desirability for Acme Visible Equipment for their other records. Many companies have standardized on the use of Acme Visible Records for *all* departments—because of what they accomplished in one.

Are you "trading customers" with competitors? Guided by Acme Visible Sales Records your new accounts will represent *net gain.*

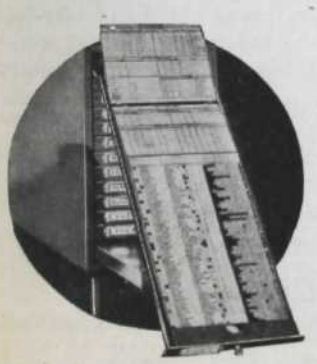
What additional items can you sell to present customers? Acme Visible Records will show you *what* to sell—*how* to sell it—and to *whom.*

Is your inventory too high? Acme Stock Records will show you where to reduce it.

Are your "Receivables" carrying too many past due accounts? Are they paying more pressing creditors first? An Acme Visible Ledger *keeps* the record in half the time and *speeds collections.*

• • • • • •

NEW LOW PRICES—For example, Acme Visible Listing Equipment as low as 2 cents per name; Acme Visible Card Equipment as low as 3 cents per account. Every office can now afford the advantages of Acme Visible Card Records—at *new low cost.*



EXECUTIVES AND DEPARTMENT HEADS ARE INVITED TO REQUEST A COPY OF ACME'S NEW CATALOG

Ready February 1—contains many new ideas—ILLUSTRATED—showing how you can save time and make money using Acme Visible Records. Write and get a copy.

Attach the coupon to your letterhead.

ACME CARD SYSTEM COMPANY
2 S. Michigan Ave. :: Chicago, Illinois

ACME · INSITE
VISIBLE RECORDS RECORD PRODUCTS
TWO DISTINCT TYPES OF VISIBLE EQUIPMENT

ACME CARD SYSTEM COMPANY
2 South Michigan Avenue, Chicago, Illinois

Gentlemen: Send new Acme Catalog—ready February 1.

Name _____

Company _____

Title _____

Address _____

I am interested in _____ records.

☐ If interested in new price list, check here.

Nation's Business is published on the 30th of every month by the Chamber of Commerce of the United States. Publication Office, Washington, D. C. Editorial, Advertising and Circulation Offices, 1615 H Street, N. W. Washington, D. C. Subscription price $3.00 one year; $7.50 three years; 25 cents a copy. Entered as second-class matter March 20, 1920 at the Post Office at Washington, D. C., additional entry at Greenwich, Conn., under the Act of March 3, 1879.



8000 Feet of Evidence

Shows the Waldorf How to Build its Bars



New made-to-measure beverage units "follow the lead" of a mile-and-a-half of Monel Metal food service equipment in New York's most modern hotel

CHIEF of the Waldorf's public dining rooms are the Empire Room, the Sert Room and the Norse Grill.

The food served in these rooms is prepared in the Waldorf's ultra modern kitchens.

Kitchens outfitted with the last word in food equipment. Arranged to minimize lost motion and wasted steps. Furnished for swift production with least effort. Patterned after an automobile assembly line.

Splendid Service Record

From oysters to ice cream, every dish is handled on, or served from, Monel Metal. Shelves, cooks' tables and plate warmers are all made of that silvery Nickel alloy. Refrigerators are lined with it.

And when Repeal came along, calling for beverage dispensing equipment, Monel was the material chosen by the hotel's executives.

The specially-built bar that dispenses beverages to the Sert and Empire rooms, the cocktail bars in the Norse Grill and in the hotel's beauty parlor, and the portable bars that are wheeled into the various private banquet rooms, are *all* Monel.

And why not? Nearly 8,000 running feet of Monel Metal equipment in three-times-a-day use for the Waldorf's *food* service testifies to Monel Metal's fitness for *beverage* service.

Even on their cooks' tables the Waldorf's executives couldn't find a sign of rust or corrosion. They concluded that Monel *must* be the best possible material for bars. They haven't discovered anything that dulls its platinum-like sheen: neither lemons, limes, oranges, charged water, ice, brine, eggs, fruit or syrups.

Strong, Solid, Wearproof

Cleansers . . . even the harsh, gritty, alkaline cleansers used in the hourly clean-ups of a big hotel's kitchen . . . can't mar Monel. And, since it is a solid metal, with no surface coating to chip or peel, the coarsest cleansers can't *wear away* its good looks.

The Waldorf's five tap bars, where beer, ale and porter have been dispensed since last spring, prove the toughness of Monel Metal and show how it stands up in beverage service under the punishing bangs of heavy steins and seidels.

Not only the Waldorf but thousands of other hotels and restaurants have discovered that Monel, preferred above all other materials for food service equipment, is obviously *the* metal for bars.

It is not surprising that hotels, restaurants and other big scale "housekeepers" use Monel Metal so extensively. Think how *grand* Monel is in the modern scientifically planned kitchen of your own home; for sink, cabinet tops, table, range top, and kitchen tools. And down in the basement; for hot water tank, washing machine and laundry table.

. . .

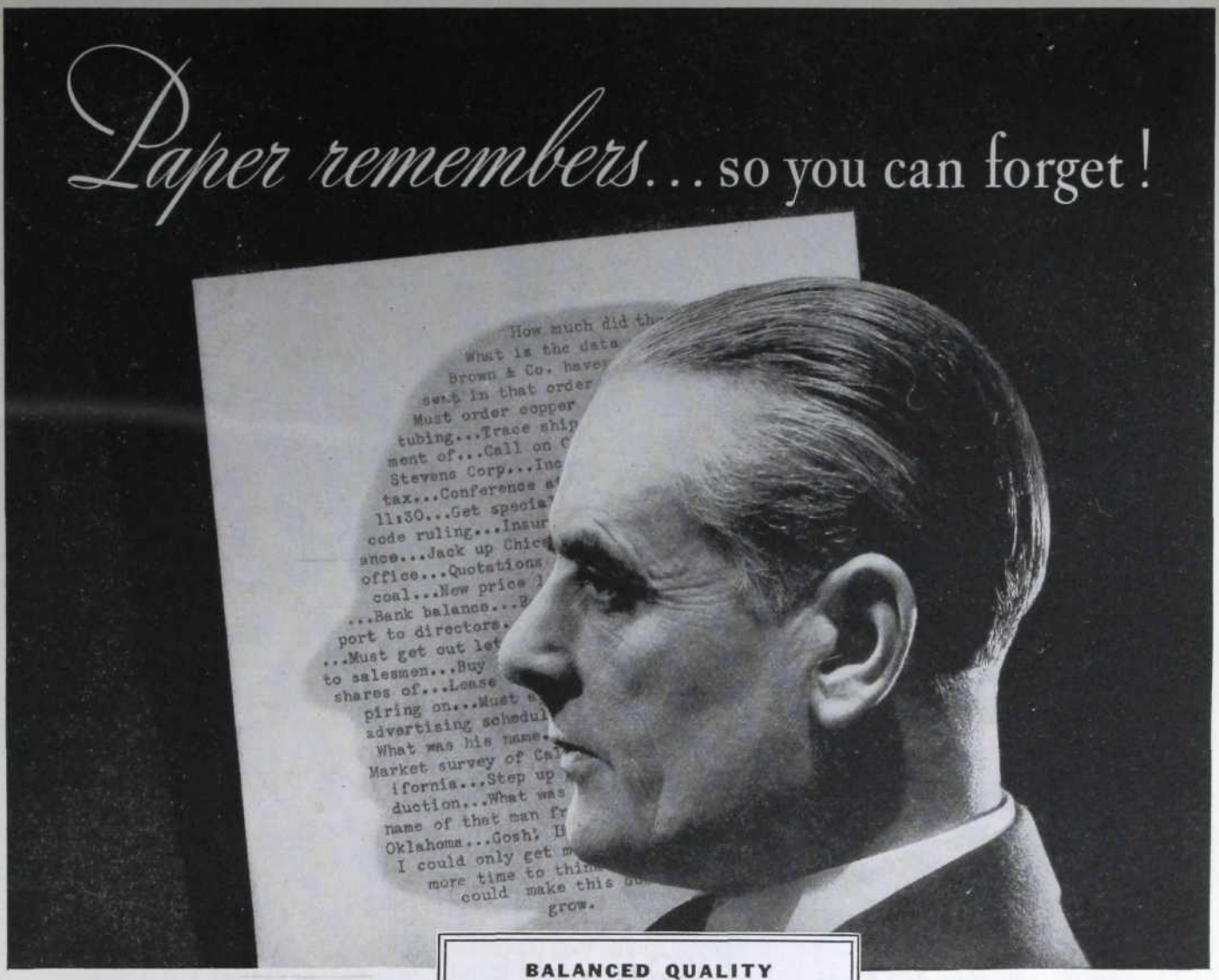
Actual illustrations of recent installations, data on newest developments, and a wealth of interesting facts about beverage service installations for hotels, restaurants and clubs are available to interested executives. Write for literature containing latest information.

THE INTERNATIONAL NICKEL CO., INC.
73 Wall Street New York, N. Y.

MONEL METAL

Monel Metal is a registered trade-mark applied to an alloy containing approximately two-thirds Nickel and one-third copper. Monel Metal is mined, smelted, refined, rolled and marketed solely by International Nickel.

Paper remembers... so you can forget!



PAPER REMEMBERS so that you can forget and have time to think, plan, direct. Printed forms are the law and order of business. The printed form is initiative in that it starts things. It is administrative in that it sees things through. It is history that records what was decided, what was done, by whom, when, how, and where.

Paper—printed forms—pin responsibility on the right shoulders. The printed form is quick, specific, direct. It leaves nothing for the memory. It cannot be ignored.

You may say, "Yes, I use printed forms because I know they simplify the whole complex process of modern business . . . But why should I use Hammermill Bond?"

The reasons are many and good. Hammermill is the standard utility business paper at a moderate price. The colors, the strength, and the firm-textured finish are uniform. You can have a choice of thirteen colors and white in three finishes, giving a bond, ripple, or linen effect. Heavy stock for letterheads and important forms. Lighter stock for carbon copies, duplicates, and forms requiring temporary use.

Hammermill Bond is a paper of balanced quality. Rely on the recommendation of your printer. Most printers like Hammermill Bond because it satisfies. Hammermill Bond is always available without delay. Leading paper merchants in nearly 100 important cities carry full stocks.

BALANCED QUALITY

STRENGTH	Tough, strong-fibred, resists punishment.
WHITENESS	Whiter white, sharp, clear; compare for yourself.
FEEL AND CRACKLE	Always crisp, lively; says "Quality."
WRITING SURFACE	Perfect pen and pencil writing, neat typing.
ERASABILITY	Clean erasures, no scuffing; saves retyping.
UNIFORMITY	Maintained by laboratory control.
AVAILABILITY	Stocked in nearly 100 cities, sold everywhere.
COLOR	13 colors, all in different weights and finishes.
CARBON COPIES	Uniformity assures clear, sharp carbon copies.
ENVELOPES	Match perfectly, all colors in various sizes.
PRICE	A Quality product at a Utility price.

HAMMERMILL BOND

LOOK FOR THIS WATERMARK . . . IT IS OUR WORD OF HONOR TO THE PUBLIC

TRIPLE OFFER TO EXECUTIVES

Hammermill is glad to help with actual samples of modernized letterheads and printed forms. Because of our thousands of contacts with business concerns, we make this triple offer to executives: **(1)** the Portfolio "Printed Forms at Work," **(2)** the Portfolio "Better Letterheads," and **(3)** "Are You Forging a Stronger Business in This Day of National Recovery?"—an important book that deals with present-day problems of management. If you are an executive and are really interested, simply fill in coupon, attach to your company letterhead and mail today.



NB2

HAMMERMILL PAPER COMPANY
ERIE, PENNA.

I am attaching coupon to my company letterhead and would like to receive your triple offer of helpful ideas and actual printed forms. (Sent free anywhere in United States. Outside U. S. 50¢.)

*Name*_____

*Position*_____

(Please attach this coupon to your company letterhead)



ELECTROMATIC

the ALL ELECTRIC *Writing Machine*

EVERY MOVEMENT POWER OPERATED FROM THE KEYBOARD

Finger-tip control of every mechanical movement—that's what the ELECTROMATIC Typewriter offers. Carriage return, type segment shift, tabulator, type bars, back spacer, and escapement are power operated and controlled by a two-ounce touch on the key.

The flying fingers of the operator never leave the keyboard . . . typing rhythm is unbroken . . . fatigue is reduced to the minimum. Results have proved that with the ELECTROMATIC, speed is increased as much as fifty per cent.

The ELECTROMATIC is not merely a typewriter with a motor attached. It's an entirely new writing machine—designed and built for power operation throughout. Beautiful, even print work is another ELECTROMATIC advantage. This is because every type character receives the correct power impulse entirely independent of the typist's touch. And when it comes to carbons, the ELECTROMATIC will make as many as twenty carbon copies of silhouette distinctness.

The ELECTROMATIC is used to advantage for all kinds of typing.

Let us tell you more about this latest development in the writing machine field. Your name and address written on the margin of this page will bring you complete information.

ELECTROMATIC TYPEWRITERS DIVISION

INTERNATIONAL BUSINESS MACHINES CORPORATION

General Office 270 Broadway, New York, N. Y.

BUSINESS INTERNATIONAL MACHINES

Branch offices in all Principal cities of the world

When writing to your local IBM *dealer please mention Nation's Business*



Through the EDITOR'S SPECS

Fair play for capitalism

IS CAPITALISM generally understood? Even by those who are loudest in condemning it? You and I and John Doe and Richard Roe spend a little less than we earn. We voluntarily pool these savings and lend them to—or go into partnership with—a group of men who employ them in some productive enterprise, an electric light plant, a department store, an oil well. If we place these savings in life insurance, the company in turn places them likewise in productive enterprises. Similarly, if we place them on deposit in banks or in building and loan associations. Such enterprises keep not only our savings at work but, since they are *productive*, that is, kept constantly at work, provide continuous employment for men.

When the State takes these savings by taxation and spends them on productive enterprises, we have state capitalism. When the State spends them on non-productive enterprises, on overhead, the amount left for productive enterprises is less. When profits—savings—dwindle because of business stagnation, and the State continues its levy, there comes a time when there is nothing left for productive enterprise. The State might collect more, borrow and commit future savings, and spend. If it spends on overhead alone, it eats up savings which normally would go into productive enterprise. If it spends on productive enterprise, power plants, factories, or provides banking and mortgage facilities, it competes with the source of its revenue and ultimately dries it up, the while preventing the creation of and the development of new fields of business activity.

(Russia is today capitalistic. A compulsory, not voluntary capitalism. Russian rulers force phlegmatic peasants to consume less than they produce, collect the savings and put them into productive enterprises.)

Perhaps one reason why depressions always follow war is that the State must perforce collect too much of the nation's savings to pay bills of destruction, so that

NATION'S BUSINESS

VOLUME 22 NUMBER 2

★ ★ ★ *for February* · 1934 ★ ★ ★

	PAGE
Trade Is Still King *Merle Thorpe*	11
How to Spend $3,300,000,000 *Paul McCrea*	13
No Business Can Escape Change	16
How the Oldest Code Is Working *George A. Sloan*	17
What's Ahead in Washington *W. M. Kiplinger*	19
The Map of the Nation's Business *Frank Greene*	23
Where Employment May Be Found *Henry I. Harriman*	24
Charting the Course of Business	25
New Ideas in Selling	28
The Auto Industry Fights Back *Donald Wilhelm*	30
The Cars Depression Couldn't Stop	33
What's Ahead of the Utilities *William L. Mudge, Jr.*	41
Sharing Confidences with Employees *Fred B. Barton*	46
Ring Off Old Bells *Ben McBride*	48
Selling Under the New Deal *R. E. Imhoff*	52
Yours Received and Contents Noted	58
The American Scene	60
Shall Uncle Sam Help Buyers?	62
What Bankers and Investors Discuss	67

CHAMBER OF COMMERCE OF THE UNITED STATES

MERLE THORPE, Editor and Publisher

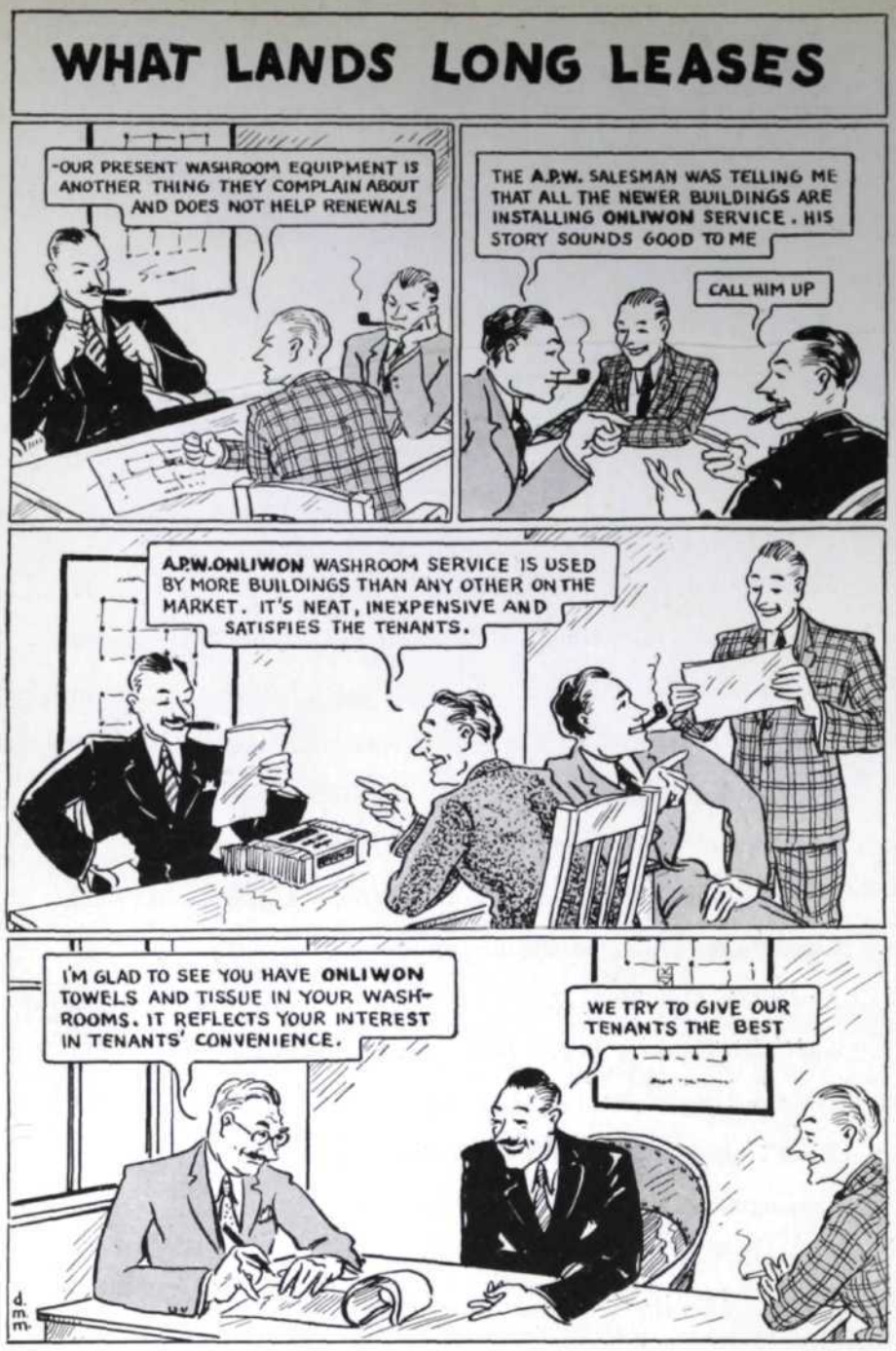
Managing Editor, WARREN BISHOP
Associate Editor, RAYMOND C. WILLOUGHBY

Business Manager, J. B. WYCKOFF
Director of Advertising, E. V. THOMPSON
Circulation Manager, LAWRENCE F. HURLEY

General Office—Washington, United States Chamber of Commerce Building.

Branch Offices—*New York,* Graybar Bldg. *San Francisco,* Merchants Exchange Building. *Dallas,* 1101 Commerce St. *Chicago,* First National Bank Building. *Atlanta,* Chamber of Commerce Building.

As the official magazine of the Chamber of Commerce of the United States this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers. SUBSCRIPTION RATES: Three years, $7.50; one year, $3.00. Canada: Three years, $9.00; one year, $3.50. Please notify us promptly of change of address —Nation's Business, Washington, D. C.



When renewals lag—look for trouble. Often you won't have to look further than the washroom either. Enterprising building operators are quick to sense the need for A.P.W. Onliwon Washroom Service—it helps to hold old tenants and secure new ones.

Onliwon Towels give a faster, better dry. They're served double-folded from sparkling, clean cabinets. No chance of dust—or germs that result from casual handling. Hard to puncture with wet fingers. And being double-folded, they do double the work of ordinary single-fold towels. Inexpensive—cost less to use!

Onliwon Toilet Tissue is a business builder, too. Absolutely safe. Properly absorbent. Serves only two sheets at a time from hygienic cabinets. No torn waste to litter the washroom. A.P.W. Onliwon Washroom Service is a proved success—used by more buildings than any other on the market. Send your order in today for a complete installation of A.P.W. Onliwon Towels and Tissue.

A.P.W.

NRA

ONLIWON SANITARY WASHROOM SERVICE

A. P. W. Paper Co., Albany, N. Y.

Representatives in leading cities

When writing to A. P. W. Paper Co. *please mention Nation's Business*

ultimately, when the hysteria of war industry recedes, there comes the inevitable day of trial balance.

In these modern days, large scale operation is necessary. Candles and a bundle of fagots are replaced by a 100,000 horsepower generator. The savings of a thousand individuals must be pooled if we are to carry on.

Such pooling under the voluntary cooperation of individuals is capitalism. Such pooling by the political organism is state capitalism, and in a democracy is not only involuntary but through taxation is compulsory. Furthermore, it transfers the hazards of operation from individual owners to political managers.

The great cooperation

IN THIS connection, it is a disturbing thought to recall that every step forward in economic progress since the world began has been through the voluntary effort of individuals. The corollary is true; political organisms have never created wealth-producing enterprises. Walk down the street. Those telephone and telegraph poles, rails, department stores, power plants, buildings—dwellings and commercial—the airplane overhead, that radio aerial and motion picture house, ships, coal mines, the oil derrick, the automobile—all the product of individuals cooperating. The bank is a development of the jeweler who safeguarded his customers' cash; the insurance company began as a pooling of risks by traders.

As Herbert Spencer points out, it took 50 years to sell the idea of city waterworks to Germany by the British engineers who developed them. Even the Post Office grew from the private collection and distribution of mail.

State capitalism engages in nothing new; it simply takes over what has already been pioneered. That has been the record.

Are we safe in expecting the compulsory pooling of our savings by the State to provide us with the new things—necessities, conveniences and luxuries—during the next 50 years that voluntary effort has produced during the last 50? It is a disturbing thought.

Debunking the good old days

WERE the "good old days" ever as good as advertised? So much has been said about the pleasant state of 1926 that the Boston News Bureau took it upon itself to look up the topics of those olden times. In December, for example, the national portrait, as sketched by the press, revealed a state of worry and trouble a-plenty—Farmers denounce Coolidge agricultural program . . . Coolidge ponders tax bill . . . Philadelphia Sesquicentennial Exposition loses $20,000,000 . . . Cotton growers demand equality . . . $45 overcoats reduced to $29.50 . . . Farm Bureau Federation demands adoption of the McNary-Haugen bill . . . Want ad sections skimpy . . . Labor troubles in the East . . . Shoes $10 a pair . . . Coffee 49 cents a pound . . . Bacon 54 cents . . . Agriculture petitions Congress. . . .

Whatever the arguments for restoring average prices to 1926 levels, the nation was no stranger in that year to headaches over farm relief, taxes, liquor, communism, scandals of one sort and another, and lynch-



The Old Order Changes

•

and forward-looking Industry prepares now to benefit from the New

•

"There is a fundamental law older than civilization — stronger than civilization — the law that the fittest shall survive. I accept that law with unquestioning faith, because within its scope is found the compelling force which moves mankind ever forward and upward. By the fittest I do not mean the man with the most physical strength, the greatest financial resources, or the most cunning. By fitness I mean those qualities which lead the individual or the corporation into paths of service to mankind, and through energy, intelligence and ideals, make the world a better place in which to live."

—From a radio talk by P. W. Litchfield
PRESIDENT,
THE GOODYEAR TIRE & RUBBER CO., INC.

THE past stern years have shown with vivid clearness that there can be statesmanship in big business as well as in government.

In its highest expression such statesmanship contemplates orderly progress based on simple justice to all concerned.

Thus in the industry adapted to benefit from the new order there will be recognition of equal responsibility to three basic factors:

To the stockholders; to the workers; to the consumers and the general public.

Goodyear operations are now and have been for many years administered under that threefold responsibility.

Supreme and dependable quality in its products, better wages and working conditions for its people, invariable fair dealing with the trade and public, all are encompassed in the Goodyear vision.

Because its faith in this equitable proposition is upheld by experience and justified by results, Goodyear faces the future confident and ready.

It will continue to exercise allegiance to the serviceable principles upon which it has built the greatest rubber business in the world.



More people ride on Goodyear Tires than on any other kind

THE GOODYEAR TIRE & RUBBER CO., INC., Akron, Ohio

FRESH AS A DAISY



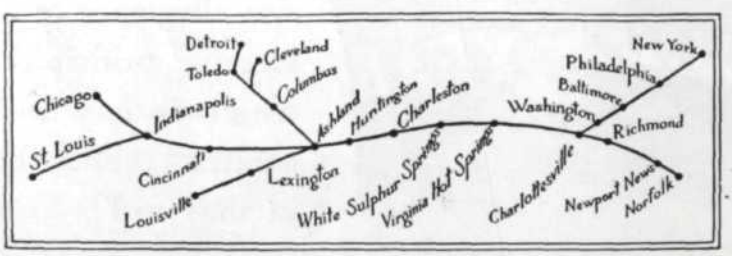
In Air-Conditioned Comfort

There's something different about the passengers who get off Chesapeake and Ohio's air-conditioned trains. Their clothes look fresh. Collars and cuffs are white. Genuine air-conditioning, of course, does the trick. It cleanses the air, humidifies it, tempers it to spring-like mildness. And when a person travels in perfect comfort, it's bound to make one feel fresh as a daisy at the end of the journey.

The ticket agent of any railroad can route you on the Chesapeake and Ohio. INSIST UPON IT!

THE GEORGE WASHINGTON · THE SPORTSMAN · THE F. F. V.
The Finest Fleet of Air-Conditioned Trains in the World

FREE Tail Sign for Toy Trains!—*Exact reproduction in full color of sign carried on observation platform of The George Washington. Send 3¢ stamp to cover the cost of mailing—511 Transportation Building, Washington, D. C.*



CHESAPEAKE and OHIO

When making reservations on the C. & O. please mention Nation's Business

ings. True enough, the determination of the future by a reading of the past may well give play to rationality. Advancing toward the thought that history is the teaching of philosophy by example, an admonition of Uncle Remus asserts its sage qualification, "Ah, Lord, Sis Tempy!", he exclaimed sorrowfully, "don't le's we all go foolin' roun' mungs' dem ole times. De bes' kinder bread gits sour."

The loneliness of leadership

HOW hard the road of leadership only the leader knows. The resignation of Myron C. Taylor as chairman of the finance committee of the United States Steel Corporation provides the text. In the lush days of 1928 and 1929 "Steel" was no stranger to pressure for stock splits and increases of dividends on the common. Steadfast in his rejection of these proposals, Mr. Taylor also faced opposition in the application of his bond retirement program.

The revision of the corporation's capital structure, which he directed, resulted in the reduction of funded debt, accomplished in 1929 by the redemption of $340,000,000 par value of the parent company's bonds, which was effected partly through the sales of new shares of common stock and partly through the utilization of surplus, and redemption of $30,000,000 par value of bonds of subsidiary companies. Through these redemptions, total annual charges out of earnings ahead of the common stocks were reduced to $29,000,000, about $3 a share on common stock outstanding.

Now that events have vindicated his judgment, his policies need no eloquence to plead their wisdom. A philosopher could moralize aptly on the completeness of the compensation of rightness. Pragmatism could insist with equal logic that fitness tested under fire expands its value in direct proportion to difficulties met and conquered.

Certainly it takes no second sight to perceive that the benefits of able counsel spread far beyond the immediate focal point of their application. Rich in executive titles, Mr. Taylor keeps at his numerous jobs for the steel corporation, a productive member of that happy company of business men who know that the label can never be bigger than the package.

Empire on the American plan

THE symbolism of trade-marks is a fascinating study in itself. As Wilhelm von Hohenzollern, late of Germany, is finding in his researches at Doorn into the meaning of the monad, the distinctive sign used in this country by the Northern Pacific Railway. It all began in 1932 when Prince Fritz von Preussen, a grandson, travelled over the railroad to visit Yellowstone Park. He became interested in the company's trade-mark and its story, and wrote his grandfather about it.

Grandfather Wilhelm in his turn was impressed with the significance of the geometric symbol, and determined to look for the source of the mark. The idea was so compelling that he prepared a lecture on "The Chinese Monad, Its Story and Meaning"—very near to the title of the railway's pamphlet on its commercial heraldry.

As the company reports it, the monad was adapted to its use in 1893. The sym-

bol is believed to have originated among the Chinese more than 5,000 years ago. It was regarded as the "diagram of the great extreme." In this monad the Oriental mind sees light and darkness, force and matter, motion and rest, fire and water.

How well a great transportation system can bring these qualities to an effective unity in the service of mankind is a matter of daily demonstration in thousands of communities. And not unthinkable, William of Doorn, pondering time and change, may speculate a bit on the success of empire building on the American plan.

1934: economic education

EXPERIENCE, to paraphrase Artemus Ward, has a way of persisting. With that assurance, the only question would seem to be whether we learn in proportion to our opportunities. How much we have grown in wisdom is debatable, of course. A banker-economist feels that "probably 1934 will be a year of slow progress toward material salvation, but rapid progress in economic education." Certainly the cost of tuition is high enough to invite diligent application to our bumper crop of problems. Can it be that the people cannot tell the true prophets from the false? In the gospel according to St. Matthew it is written, "For there shall arise . . . false prophets, and shall shew great signs and wonders; insomuch that, if it were possible, they shall deceive the very elect."

No risk, no gain

WHEN Senator Couzens declared that the failure of the Detroit vehicular tunnel "ought to put investors on guard against engineers' reports" he was, in effect, protesting against the element of risk in all competitive business enterprise. It required $17,459,000 to finance the tunnel, constructed in 1928. The project looked profitable to a good many people, although two ferry companies were then operating, and the five-lane Ambassador bridge was going across the river. Investors losses have been estimated at $15,000,000. The tunnel went into receivership.

However the judgment of the engineers may be questioned or criticized, no one is likely to contest this fresh confirmation of the adage that risk is inherent in the idea of profit.

Where the mind only prepares for the enjoyment of new wealth, loss finds no cushion to temper its weight of woe. "No gains without pains," says the proverb. And no prosperity without trial and error, says experience.

Hazards of investment

A VISITOR, W. P. M., of Chicago, illustrates the hazards of capital. He grubstaked a man in Tonopah days, sending him $100 a month. He heard from him regularly for four months. Then silence. Fearing his death by flood, famine or Indians, he instituted a search through an official of the old Salt Lake railway. The official, after a few weeks, wrote: "Prepare for a shock. Your miner has been a night car inspector on this road for the last six months!"

"we'll cross that bridge when we come to it"

is bad pension philosophy

Many problems in business and industry can be taken up and disposed of as they arise. Not so with the intricate and technical matter of providing for superannuated employees.

The time for action is in the early years of the employee's service when provision can be made by easy stages to meet the cost of his pension at retirement age.

In the study of the vital problem of retirement pensions as it may affect your business you are invited to avail yourself of data compiled by The Equitable from years of research and actual administration in connection with both large and small, underwritten pension systems.

Address:
Group Insurance Department,
The Equitable Life Assurance Society of the U. S.,
393 Seventh Ave.,
New York, N. Y.



THE EQUITABLE
FAIR — JUST
LIFE ASSURANCE
SECURITY — PEACE OF MIND
SOCIETY
MUTUAL — COOPERATIVE
OF THE U.S.
NATION-WIDE SERVICE

Thomas I. Parkinson, *President.*

When writing to EQUITABLE *please mention Nation's Business*

The New York Trust Company

100 BROADWAY

40th St. & Madison Ave. Fifth Ave. & 57th St.

CONDENSED STATEMENT OF CONDITION

At the close of business, December 31, 1933

RESOURCES		LIABILITIES		
Cash on Hand, in Federal Reserve Bank and Due from Banks and Bankers	$51,451,466.12	Capital	$12,500,000.00	
United States Government Securities	83,219,002.13	Surplus	20,000,000.00	
Reconstruction Finance Corporation Notes	2,500,000.00	Undivided Profits	1,047,551.18	$33,547,551.18
Other Bonds and Securities	37,412,839.64	Capital Note		2,500,000.00
Loans and Bills Purchased	114,248,104.19	Reserves:		
Real Estate, Equities, Bonds and Mortgages	5,353,467.22	For Contingencies		10,275,000.00
Customers' Liability for Acceptances and Letters of Credit	14,246,168.16	For Taxes, Interest, etc.		3,548,036.80
Accrued Interest and Other Resources	1,970,993.28	Deposits	236,834,761.22	
Liability of Others on Acceptances, etc., Sold with Our Endorsement	30,222.44	Outstanding Checks	8,399,620.31	245,234,381.53
	$310,432,263.18	Dividend Payable January 2, 1934		625,000.00
		Acceptances and Letters of Credit		14,672,071.23
		Acceptances, etc., Sold with Our Endorsement		30,222.44
				$310,432,263.18

Member of the Federal Reserve System and of the New York Clearing House Association

Trustees

MALCOLM P. ALDRICH
New York

ARTHUR M. ANDERSON
J. P. Morgan & Company

MORTIMER N. BUCKNER
Chairman of the Board

JAMES C. COLGATE
James B. Colgate & Company

WILLIAM F. CUTLER
Vice-President
American Brake Shoe & Fdy. Co.

FRANCIS B. DAVIS, JR.
President, United States Rubber Co.

HARRY P. DAVISON
J. P. Morgan & Company

RUSSELL H. DUNHAM
President, Hercules Powder Company

SAMUEL H. FISHER
Litchfield, Conn.

JOHN A. GARVER
Shearman & Sterling

ARTEMUS L. GATES
President

CHARLES HAYDEN
Hayden, Stone & Company

F. N. HOFFSTOT
President, Pressed Steel Car Co.

B. BREWSTER JENNINGS
Standard Oil Co. of New York

EDWARD E. LOOMIS
President, Lehigh Valley Railroad Co.

ROBERT A. LOVETT
Brown Brothers Harriman & Co.

HOWARD W. MAXWELL
New York

GRAYSON M.-P. MURPHY
G. M.-P. Murphy & Company

HARRY T. PETERS
New York

DEAN SAGE
Sage, Gray, Todd & Sims

LOUIS STEWART, SR.
New York

VANDERBILT WEBB
Milbank, Tweed, Hope & Webb

NATION'S BUSINESS

A MAGAZINE FOR BUSINESS MEN

Trade is Still King

TRADE is stronger than life or death. The urge to exchange is as old as humanity itself. War's alarms, political barriers, even the threat of destruction by taxation, may cause it to hesitate, but only momentarily as Time is recorded. A single breaker may recede and leave dismay, but the tide continues to come in.

He is of small faith indeed who cannot read history's page and have confidence. Since the beginning of things, the industry of individuals, as Macaulay once put it, struggling up against wars, taxes, famines, conflagrations, mischievous prohibitions, and more mischievous protections, creates faster than governments can squander and repairs whatever invaders can destroy.

Constantly and surely the wealth of peoples increases, the arts and sciences advance and living standards go higher and higher under the driving instinct of exchange.

The improvement in commerce the world over, noted at the beginning of the year, underscores again the fact that we live by trade. What a vitality our business processes must have to withstand the social and political impacts on every hand! The persistence of the merchant is a distinction in itself. Ever his urge has been to penetrate the impenetrable, ever the itch to discover and distribute new wealth, to compress distance, to expand the fulness of time. Privation and death have stalked the mercantile pioneers who established trade routes over great waters, barren deserts, tropical swamps, and forbidding mountains. The very name of the "Ancient Company of Merchant Adventurers" mirrors the hazards of an earlier age.

As with individuals, so with nations. This natural appetite for the exchange of goods overcomes artificial efforts toward national isolation. Look around. Armstrong designs a chain of floating seadromes as aviation way-stations. Lindbergh surveys 30,000 miles of land and water in order to lay out safer air routes. Foreign exhibits and foreign visitors help to make the Chicago exposition a world's fair. Germany is out of joint with the rest of the world, yet the swift *Bremen* and *Europa* are apples of her commercial eye. And Leipzig announces pridefully that the offerings of 22 nations at her spring fair are inspected by 130,000 visiting buyers and business men from 72 countries.

Even Mussolini qualifies his policy of self-sufficiency for Italy by sending General Balbo's air flotilla on a trans-oceanic voyage, and by challenging Germany's marine prestige with the superb *Rex* and the sleek *Savoia*. France's tariff walls to the contrary, she is going ahead with a huge liner to pit against the Germans and the Italians. As for England, nationalism must admit itself a bit diluted with the plans to complete the giant Cunarder for Atlantic ferrying.

To one who seeks to discern the future, let him examine the condition of this age-old desire to exchange the products of labor. He'll find it as insatiable and unsated as when Abraham drove his flocks to market, and the smithies of gold and silver hammered out candlesticks for Moses, and the drapers manufactured fine linen curtains with "50 loops of blue from the selvidge" for the Ark of the Covenant.

Merle Thorpe



NEW WINGS FOR A NEW DAY

Who can measure the suggestive power of a picture? It may tell a story simply and clearly when words utterly fail. Pictures of all kinds are now as easily reproduced by the Mimeographing Process as are typewritten sheets. No special skill needed. Simply trace the design, map or chart, and it is ready for printing, with typewriting or other matter on the same sheet if desired. Thousands of well-printed duplicates hourly, at little cost! Never has Mimeographing been such an interesting process as it is today. It has taken on new and far-range power. This remarkable improvement may mean greater economies and opportunities for your business or school. Illustrated Mimeographing is now the thing. Let us give you full information today. » » Write A. B. Dick Company, Chicago, or see your classified telephone directory for local address.

MIMEOGRAPH

EDISON-DICK MIMEOGRAPH CHICAGO

When phoning your local MIMEOGRAPH *dealer please mention Nation's Business*

NATION'S BUSINESS
February • 1934

★ ★ ★

How to Spend $3,300,000,000

By PAUL McCREA

MUSTERING dollars as it musters men in war time, the United States is planning an assault along the whole depression front. Just where these dollars are to be used and how is told here

WAS a part of the campaign to get the country out of the depression in a hurry, the National Industrial Recovery Act provided $3,300,000,000 to be spent in an emergency program of public works. The idea was that this money, pouring into industry in payments for labor and materials, would so prime the industrial pump that all business would feel the impulse.

The Act was approved June 16. By the end of the year, the entire $3,300,000,000 was allotted.[1] More than 11,000 projects had been approved and the Public Works Administrator estimated that 5,000,000 men had been put to work.

By that time the first phase of the Public Works program had ended and the second was well begun.

January 1, therefore, seems to be a logical eminence from which to see what has been done with the taxpayer's money and what he is going to get for it.

Admitting that many of the benefits of the program are intangible—greater public confidence, reduced unemployment, increased spending power—it should still be possible to survey the services to be received for the money spent and the security given for money loaned.

To do this intelligently, it is necessary to know just what statutory and administrative limitations surrounded those who were distributing the money. To begin with the law itself stipulated in rather technical language just what sort of projects were eligible to receive either loans or grants. These projects fell roughly into four general classes:

Projects of federal agencies.

Low-cost housing and slum-clearance projects.

Railroads.

State and local projects.

The law stipulated further, in some cases, just how much money might be allotted to each. To the Farm Credit Administration, for instance, it allotted $100,000,000. It allotted $50,000,000 for roads in the national forests and public lands; $25,000,000 for subsistence homesteads and $400,000,000 for highway construction. It prescribed that some of the money should be used for naval construction if the President approved such a program. He did, and $238,000,000 was allotted for this purpose.

These direct allocations made it possible to start work on some of the projects almost at once. By August 3, for instance, dirt had begun to fly on a public-roads project in Utah and 150 men had jobs, some of them for the first time in months. Work on the naval building program also began almost immediately.

First funds to other groups

MONEY was taken out of the fund to finance the activities of the Civilian Conservation Corps, the industrial recovery organizations and the Tennessee Valley Authority.

Such special allotments and those to government departments were the first to be made. This was natural since plans were available, machinery was ready to start work at once and speed was the essence of the whole program.

These allotments accounted for $2,485,189,612 divided like this:

Special allotments	$1,115,337,315
Agriculture	56,826,222
Commerce	9,617,180
Interior	201,214,377
Justice	1,254,512
Labor	1,942,980
Post Office	532,600
State	7,561,000
Treasury	96,527,153
War	352,297,019
Navy	38,265,924
Independent Offices	603,813,330

The Agriculture Department will spend much of its allotment on forests. Forest highways, roads and trails will take $25,000,000, while forest service, including physical improvements and control of disease, will account for $15,982,745.

The Commerce Department will spend almost half its allotment on lighthouses and $3,058,803 on aeronautics.

On the Interior Department rests the job of spending the $25,000,000 allotted for subsistence homesteads. This Department will also spend considerable money on irrigation and power projects. These include $38,000,000 for Boulder Canyon; $15,000,000 on the Grand Coulee project on the Columbia River; $12,000,000 on the Casper-Alcova project in Wyoming; $4,000,000 to start the Verde project in Arizona and $6,000,000 to start the All-American Canal in California.

The Department of Justice will spend all its allotment on prisons and a national training school for boys.

Immigration activities will take most of the Department of Labor allotment.

The Mexican and Canadian International Boundary Commissions will spend most of the State Department's money while the Treasury Department will devote most of its allotment to construction of public buildings.

Rivers, harbors and flood control account for the size of the War Department's allotment which includes $44,120,000 for work on the lower Mississippi; $33,500,000 for the upper Miss-

[1]Although the entire fund has been allotted, some projects have been cancelled by municipalities, and some have not yet been announced. The figures given with this article, therefore, total some $18,000,000 short.

issippi; $17,753,108 for the Missouri; $20,250,000 for the Bonneville Dam on the Columbia River in Oregon; $25,000,000 for the Fort Peck Dam and reservoir in eastern Montana and $85,365,100 for general river and harbor work throughout the country. The Army motorization program is allotted $10,000,000, $7,500,000 will go to build Air Corps airplanes, $60,000,000 for Army housing and technical construction, and $8,309,491 for ordnance work.

The Navy Department will spend $22,810,552 on construction of shore stations and $7,500,000 on aeronautics.

Quick employment

AMONG the independent offices, the largest allotment was $400,000,000 to the Civil Works Administration, a separate and distinct governmental organization set up by the President under the direction of Administrator Harry Hopkins. Its effort has been to provide quick employment on a wide scale on projects which, by their nature, are not adaptable to the longer-range public works program.

Also among the allotments for independent offices was $100,000,000 for the Public Works Emergency Housing Corporation. This Corporation was formed to make possible housing construction in places from which qualified projects were not forthcoming and for demonstration purposes. Its activities are entirely divorced from the Public Works Administration which, through loans totalling $48,571,958 to limited-dividend corporations in a score of cities, is promoting low-cost housing and slum-clearance projects of its own.

The early requisitions from Federal departments for loans were examined by the central public works administration.

On July 8, President Roosevelt appointed Secretary of the Interior Ickes as Federal Emergency Administrator of Public Works. Before that he had appointed a Special Advisory Board for Public Works.

To handle non-federal loans a larger staff and a field organization was necessary.

The country was divided into ten public works regions with a regional supervisor in each region. State Advisory Boards of three members were appointed for each state. State engineers for each state also were appointed. These boards examined all state and local applications originating within their states. Broad general rules as to what projects were entitled to consideration were provided:

1. The project should be socially desirable and should not be a mere makeshift of use only to supply work.

2. No work should be constructed which would require for its maintenance or operation an additional outlay by the Federal Government.

Rules of priority were also laid down:

1. Projects which can be entered upon at once and completed with reasonable speed should be preferred to projects which would be spread over a relatively long period.

2. Projects which are in or near a center of unemployment should be preferred so far as practicable to those in areas where the unemployment problem is less acute.

3. Projects which are integrated with other projects into a significant plan should be preferred to projects which are isolated and unrelated.

Applications which state boards approved were forwarded to Washington where they were again examined from six points of view—general policy, soundness from an engineering and technical standpoint, legal feasibility, financial setup, economic desirability and coordinated planning.

Allocation of P. W. A. *for State and Local Projects*

State	No. of Projects	Total Allotment
Alaska	2	$ 45,000
Alabama	11	2,833,000
Arizona	7	2,082,000
Arkansas	25	5,360,000
California	86	43,027,324
Colorado	26	17,089,200
Connecticut	31	4,088,700
Delaware	10	810,000
District of Columbia	1	650,000
Florida	15	6,052,487
Georgia	24	7,900,615
Hawaii	6	1,003,300
Idaho	13	701,274
Illinois	68	53,674,545
Indiana	53	5,954,400
Iowa	110	5,311,470
Kansas	84	2,537,580
Kentucky	22	3,251,695
Louisiana	7	8,016,700
Maine	1	30,000
Maryland	33	9,057,666
Massachusetts	122	23,320,135
Michigan	25	2,652,229
Minnesota	68	21,724,464
Mississippi	5	1,209,746
Missouri	54	8,861,857
Montana	18	4,681,658
Nebraska	39	17,421,806
Nevada	2	206,000
New Hampshire	36	2,210,100
New Jersey	47	8,317,005
New Mexico	8	554,500
New York	68	140,296,203
North Carolina	30	2,919,198
North Dakota	14	2,199,970
Ohio	88	25,121,700
Oklahoma	37	2,867,208
Oregon	10	7,072,185
Pennsylvania	33	*16,798,900
Rhode Island	19	3,967,261
South Carolina	17	3,258,700
South Dakota	36	3,915,225
Tennessee	11	4,624,833
Texas	85	24,865,374
Utah	20	5,590,520
Vermont	32	490,980
Virginia	46	11,336,100
Washington	90	2,620,878
West Virginia	19	6,606,700
Wisconsin	57	15,583,844
Wyoming	2	110,000
Totals	1,773	$550,882,235

*Includes $11,900,000 for a joint Pennsylvania-New Jersey shuttle line across the Delaware River.

Many organizations

TO handle these applications legal, engineering and finance divisions were organized in the Washington office.

There also were organized a Federal Projects Division, a Non-Federal Projects Division, Housing Division, Auditing Division, Administrative Division, Mails and Files Division, Inspection Division and Division of Investigations. Later a Division of Transportation Loans was set up.

A Soil Erosion Service and Subsistence Homesteads Division, for which public works funds were allotted, were created as units in the Department of the Interior.

Other boards and committees were organized as constituent parts of the Public Works Administration.

To plan public works for the future and to stimulate and coordinate state, city, local and regional planning a National Planning Board was created.

Committees were also organized on the Mississippi River Valley, the Red River and the Arkansas River Basin.

A Labor Advisory Board was organized to advise the Administrator on matters of labor policy. There also was

created a Board of Labor Review to hear all issues arising from contracts financed by PWA funds.

A Technical Board of Review advised the Administrator on technical questions.

All the non-federal allotments, totalling some $800,000,000, passed under the scrutiny of several of these divisions before being approved. Loans to railroads underwent additional examination by the Interstate Commerce Commission. These loans, totalling $197,067,000, were authorized for 16 roads, in this fashion: Pennsylvania, $79,000,000; Chesapeake & Ohio, $18,290,000; Erie, $11,964,000; Boston & Maine, $5,500,000; Nickel Plate, $5,029,000; New Haven, $3,500,000; Lehigh Valley, $2,000,000; Northern Pacific, $1,$250,000; the receiver of the Central of Georgia, $500,000; Southern Pacific, $12,000,000; Illinois Central, $9,300,000; Baltimore & Ohio, $4,230,000; Wabash, $1,489,000; Kansas, Oklahoma & Gulf, $265,000; Interstate, $250,000; and Lehigh & New England, $1,500,000.

After these announcements were made, the Administrator stated that the total railroad loans had been reduced $10,000,000 but did not specify where the reductions had been made. A blanket allotment of $51,000,000 was made for loans to a number of as yet unspecified roads, for the purchase of approximately 1,000,000 tons of new rails.

The Pennsylvania will use part of its allotment to complete electrification of its New York-Washington division, and part for the purchase of electric engines and new freight cars. It is estimated that this allotment alone will provide 50,000,000 man-hours of employment in 35 states.

The C. & O., Erie, Nickel Plate, Northern Pacific, the receiver of the Central of Georgia and several others will use their allotments to purchase new locomotives and cars. The New Haven and the Lehigh Valley will use their allotments to provide additional winter employment for shopmen in repairing equipment. The Boston & Maine will use a portion of its allotment to provide additional winter employment for shopmen, a portion to provide employment for men on maintenance of way and structures and another portion to purchase and install new equipment.

It is estimated that the loan to the Erie will create 1,613,500 man-hours of employment in the equipment-manufacturing plants alone, and this estimate does not include the indirect and industrial employment that will be created in plants fabricating materials to be used in the manufacturing plants.

The loan to the Northern Pacific is estimated to provide approximately 300,000 man-hours of direct employment in locomotive-manufacturing plants and at least twice as much indirect and industrial employment.

The $500,000 loan to the receiver of the Central of Georgia is estimated to provide about 580,000 man-hours of direct and indirect employment. The New Haven will use its $3,500,000 loan to reemploy about 700 men in its Readville (Boston), Mass., and Van Nest, N. Y., shops; while the Lehigh Valley will use the $2,000,000 allotted to it to operate its shops at Sayre and Packerton, Pa., on a five- or six-day week basis instead of the two-day week basis on which they have been operating.

THROUGH the adoption of codes, an effort is being made to stop unfair competition. Through the PWA efforts are being made to speed up sales and increase business. All these things are devised to simplify the salesman's job. But they also bring up new problems that must be solved. The nature of these problems and, in fact, the whole question of selling under the new deal, is discussed in an article on page 52

All of loan is not repaid

OF the non-federal loans, $550,882,235 went directly to cities and states. It was divided into 1,773 separate allotments scattered among all the states. The largest amount to go to one state was $140,296,203. This is divided among 68 projects in New York State, three of which, a bridge, subway construction and a tunnel, will receive respectively $44,200,000, $23,160,000 and $37,500,000. Of these allotments, as with most of the others, the greater parts are loans to be repaid with four per cent interest, though the Federal Government will make an actual grant of 30 per cent of the cost of labor and materials. This grant need not be repaid.

Just how much of the $550,882,235 will thus become an actual gift to the locality receiving the allotment is not known since the final cost of labor and materials cannot yet be figured.

Of all the states, Massachusetts has the most projects approved (122), although the allotments there total only $23,320,135. Maine, with only one allotment of $30,000 has the smallest number and the smallest allotment.

Of the approved projects, bridges lead the list in amount of money allotted, although waterworks lead in number of projects. Allotments for bridges and structures accounted for 28.6 per cent of the total. Sewers took 21 per cent; waterworks, 12.2 per cent, housing, 11.3 per cent; streets and highways, 6.1 per cent; schools, 5.4 per cent; power plants, 5.3 per cent; miscellaneous improvements, 4.1 per cent; other buildings, 3.3 per cent; hospitals, 2.6 per cent, and recreation facilities 0.1 per cent.

All states share

OF COURSE, the money allotted to a state is no measure of the advantages which it will derive from the Public Works Administration's fund. Varying sums will find their way into each state from activities elsewhere. For instance, although much of the naval construction work will actually be done in Virginia, virtually every state will be called upon for material. Steel requirements alone are tremendous while machinery, lumber, cork, rubber, metal fixtures, fittings, valves, electrical equipment, brass, lead, zinc, paint, insulation, tiling, bedding, and many other products will be needed to complete the program.

In addition, this program is expected to provide more than 2,430,000 man-hours of work and the increased buying power of these men should be reflected in increased sales of clothing, shoes, food, automobiles, household equipment and other individual purchases.

Much of this, of course, is in the future. Although the entire fund is now allotted, only $458,595,539.87 has actually been spent, according to the Treasury statement for January.

Of this amount, $204,751,114.46 was spent in December. This was almost as much as was spent in the preceding five months of the plan and indicates that the system is only now getting well under way.

Observers believe that the full effect of the PWA spending will not be felt until next summer because of the lag between the time of planning programs and beginning work.

tial also to preserve the proportionately higher rates where occupational skill was greater. The shorter week was not to involve less pay for the worker nor were the established minimums to become maximum rates. This involved improvement in wages all along the line.

Pay rolls have increased

CHANGES in wage scales plus reemployment of workers brought the industry's monthly pay roll up to $26,000,000 in August, September and October compared to $15,000,000 for May and $12,800,000 for March. Between March and November, increased pay rolls added approximately $59,000,000 to the purchasing power of cotton textile employees. Obviously the Code has brought the wage improvement it was designed to bring to the textile industry and the nation as a whole has benefitted through an improved employment situation in one of its key industries.

These increased labor costs under NRA amount to approximately 70 per cent for the industry as a whole and they are supplemented by a processing tax which adds from 30 to 40 per cent to the cost of raw cotton used.

Retail prices for cotton goods naturally reflect these increased costs, but it is a mistake to assume that higher retail prices represent unreasonable advances at the mill. An analysis based on mid-November prices obtained for a group of standard cotton yarns and fabrics shows that the industry as a whole is now earning only a part of the depreciation on its plant and nothing toward interest on its investment.

Criticism with respect to higher retail prices has altogether failed to consider the various factors involved. It should be understood that, before the products of a cotton mill reach the public, they usually pass through four or five other manufacturing and distributing channels, all of which are under codes with increased costs. For example, the product of the grey goods mill is usually routed to a finishing plant, then to a converter, frequently to a garment manufacturer, thence to a wholesaler and finally to the retailer, all of whom were among the first to cooperate with the President in improving the national purchasing power. This accounts for spreads between present and former retail prices.

The processing tax alone, expected to yield $110,000,000 or more for the benefit of the cotton farmer in the cotton year 1933-34, will collect more from consumers of cotton goods in one year than the net profits of the entire cotton industry in its best year of a decade.

A study based on the best available figures reveals a net deficit of $100,000,000 for 1,060 cotton mills in the recent ten-year period, after payment of income taxes. Income tax figures for 1930 show that 868 cotton mills had a net deficit of $88,010,083. Available published statements of 68 mills disclose that losses exceeded profits in 1931 by $23,231,774 and in 1932 by $35,537,650.

As a matter of fact, prices obtained by cotton mills for their products must inevitably advance to higher levels to justify the assumption that the industry is entitled to a fair return on its investment in the promised "square deal" for manufacturer, worker, merchant and consumer.

Although the more tangible profits from the new venture have come to the workers, it would be misstating the facts to represent that the Code has accomplished nothing for the cotton manufacturer. Generally speaking, while the economic and credit conditions of the industry have improved since early spring, it has not yet reached a position where interest on the investment is assured. The manufacturer gains through stability in labor and wage situations, but his principal gain has been a reasonable control of overcapacity through the Code's 80 hour limitation on productive machinery.

Without this limitation, the industry could not have assumed the additional burdens of reduced working hours, minimum pay envelopes, increased wages and larger personnel resulting from Code operation.



The processing tax is expected to yield $110,000,000 for cotton farmers

To understand why this is, it is necessary to know that the cotton textile industry has 30,000,000 spindles in place and that one-half of this number could supply boom demand for cotton goods if operated six days and six nights a week.

When the Code was being formulated, an opportunity was offered for constructive action to deal with this situation. Accordingly, provision was made to help correct overcapacity by limiting productive machine operations to not more than two weekly shifts of 40 hours each. This control is the most important and essential provision of the Code. It has produced a reasonable balance between productive capacity and consumption demands.

Toward the end of the year, the effectiveness of the Code in meeting this particular problem has been greatly strengthened by a proposal of the Code Authority, approved by the Administrator, looking to a more scientific balancing of production in the respective groups of the industry. Where demand for cotton goods in some classes of manufacture is affected by seasonal fluctuations, self-regulation, with the concurrence of the Administrator for periods of not more than 90 days, is now permitted. With full recognition of the principle of self-regulation, the Industry Committee, including its Government representatives, will effect no temporary changes in the productive machine hours of any group without first ascertaining the needs and desires of the group.

With the NRA only a few months in operation, accurate measurement of its progress is difficult. The character, extent and permanence of its reactions upon industry as a whole remain to be tested by time.

Control of overcapacity

HOWEVER, in the cotton textile industry, the wide reemployment and shorter working hours with increased wages have been maintained to date. Further than this, NRA has given the industry for the first time in its history not only a plan for control of overcapacity but a federal mandate to support this plan. Limitation on operation of productive machinery is being and will continue to be enforced.

It is of the essence of the fundamental provisions of the cotton code of fair competition that they should be applied to all alike. To permit a different maximum of working hours to one concern in an industry immediately gives that concern an unfair competitive advantage. To permit one concern to pay a lower minimum wage rate than its neighbor immediately gives that concern an unfair competitive advantage. To permit one concern to operate three shifts of 40 hours each, while its competitors were operating two shifts of 40 hours instantly gives that concern an unfair competitive advantage in that the aggregate volume would give it an advantage in overhead. In all these matters the rules must apply to all alike. Otherwise they cease to be codes of fair competition.

Unwarranted extension of productive

(Continued on page 65)

What's Ahead in Washington

W. M. KIPLINGER *Writes about the Outlook*

Dear Mac:

YOU said Washington was a seven-ring circus, but you understated. It is a whole collection of seven-ring circuses and smaller side shows, playing not only in Washington but in every locality of the whole country.

You can't watch it all, you can't understand it all, you can't get your arms around it. You must not feel bad just because you don't keep track of each and every new government policy. The thing is too kaleidoscopic and too fast moving for complete current understanding.

I shall hit only the high spots of government policy, and try to tie together some of the high points, so that you can see the whole government program in rough outline—very rough. Details you can fill in for yourself from the news of the next month or two.

Before getting down to specific issues, let's talk about the general background of ideas of this government.

Business Policy

THE decisions you make between nine and five must be made with one eye on Washington. There's no such thing as free business. It isn't even in sight. This is obvious, but it is emphasized again because a few months ago you were speculating on the possibility that the Government by this time would begin to get ready to cease being the big dog in the business picture. It isn't happening. The tendency is in the other direction. Government is assuming larger and larger functions. It is doing more things formerly left to private initiative.

Socialism, Capitalism

YOU are not to be done out of business. Government is not headed toward the operation and management of business. Government activities, even with the tremendous expansion, are only a drop in the bucket of total business activity. Government policy is headed toward letting business be run by business men, using their own initiative and ingenuity, exercising their own responsibility.

But with innumerable new curbs, restrictions, controls, rules, directions.

And, also, new channels for providing credit and capital. Government is rapidly going into the business of gathering up credit and capital from those who have it, and supplying it to those who can use it to make goods, activity, jobs, wages.

This is what the social and economic philosophers call state capitalism. It is midway between the qualified *laissez faire* of the past, and outright or absolute state socialism.

I don't like the terms. I don't advise you to try to figure out all the complicated implications in them. You'll get lost in the clouds of fancy speculation about the hypothetical future. It seems better, in your position as a practical business man, with work to do tomorrow, to put all emphasis on trying to make the business system work day after tomorrow, and not to worry excessively about the thereafter. But it's part of your practical job to recognize that the rules are being rapidly revised, and Washington policies are contributing largely to the revision.

This Roosevelt Government is radical in the sense that it is going to the root of a few faults in our past system (very few), and is making motions toward correcting them. It is conservative in the sense that it is holding fast to the essential principles of capitalism and private profits. It isn't going half so far as substantial organized minorities want it to go. It is resisting many pushes from groups whose principles are conservative, but whose programs would lead ultimately to socialism.

There's no absolutely accurate ticket or tag for this Roosevelt Administration. But judged by old standards, it is and will continue to be more "left" (or radical) than "right" (or conservative). This is a practical observation, which you should retain and apply generally whenever you have particular doubts about how such-and-such an issue will be resolved.

Profits

IT'S quite clear that the Government's intentions are to preserve the profit system. You not only will be *allowed* to make profits, but you will be *expected* to make them because the Government wants to milk you for part of them (a larger and larger part) to get funds with which to run the Government and pay off the tremendous public debt. The cornerstone of the Government itself, under our present system, is private profit. Remember this when occasionally you get the jitters over some new wild bill in Congress.

But "moderate profits." More equitable profits, whatever these are. Better distribution of the fruits of work. Limitations on aggregations of wealth, either in corporate or in individual hands. Far fewer multi-millionaires, somewhat fewer millionaires, probably about as many middle-class well-to-do as in the past, more substantial working people, and less stark poverty. This isn't "leveling of wealth," but it's a cutting down of the peaks of wealth and a filling up of the valleys of poverty, to some undetermined gradation.

In these observations, I'm not just theorizing or talking fancy. I'm reporting factually the substance and purpose of literally scores of government measures, Administration plans and congressional bills to be enacted, without taking the space to itemize.

Business vs. People

CONSIDER Hoover ideas and Roosevelt ideas, in their similarities and their differences. Hoover had a passion for common people, and he believed that business was the principal instrumentality for producing good for the common people. Roosevelt has the same passion for common people, but he looks at them directly instead of through the maze of business.

And, since business isn't actually providing all the jobs which people need, and since it can't be proved conclusively that business would do so in a sufficiently big hurry to satisfy the popular clamor, Roosevelt goes over the head of business, and makes Government do the job.

There's no fundamental difference between the Hoover

aims and the Roosevelt aims, but their methods are different. And the method of Roosevelt is to consider the cause of business as secondary to the cause of widespread public well-being. Under this new emphasis business becomes a servant, somewhat like a public utility.

The point for the practical business man is that, under this new Government, no business has any holy rights for its own sake, but is to be cultivated for the sake of the service it can give to its customers, and its employees, and (incidentally) to its owners.

Taxes

YOU'VE got to pay more taxes in the future than you ever paid in the past. You are going to get soaked. The more you make, the more you are going to have your taxes raised, in proportion to what you have paid in the past.

The first reason for this is that the Government needs the money as it has never needed money heretofore, either in peace time or in war time. Both ordinary running expenses and debt carrying charges will increase. For just plain fiscal reasons, therefore, the Government will impose heavier taxes on business men, most of whom are considerably above average income level.

The second reason is that the Government intends to work gradually toward redistribution of wealth, and taxation is a social squeeze for accomplishing this.

This year's tax revision represents merely tax tinkering. It will close up the loopholes, abolish many exemptions and legal evasions, and result in more taxes. It is primarily a fiscal measure, and is not much of a social measure. It lays the groundwork, however, for the more fundamental revision next year, after the Administration has had time to formulate its plan, after the recovery has really gotten under way, after the dangerous biennial elections are past.

Large corporations will fare worse in the new tax bill than small corporations. There's a strong tendency among the legislators to make a point of size, and to go easy on the small unit. The tax news in the papers during the next few weeks will show this.

The new tax bill will not be "equitable." It will contain scores of injustices, and some of these may hit you. To get the money is the principal idea, and there's no time for nice adjustment of the burden. It will not be a "scientific" taxation measure.

The Senate will smooth out some of the unjust wrinkles of the House bill, and the sober recommendations of the Treasury will have weight.

Business, in general, will call it a "bad bill."

Budget

THE President says the Government is going to spend 10½ billion dollars this fiscal year, ending next June 30. I doubt it; I think it will be between nine and 9½ billions. The budget was a compilation of guesses of various government officials. Many of these officials admit in private that they can't support their guesses with accurate arithmetic. So I believe the budget situation for this year is less bad than it shows on its face.

Furthermore, the whoop-'em-up spending spirit of Congress has been dampened by having a ten billion budget thrown in its face by the Executive. Congress is likely to pare the President's estimates, to restrain him. (This will not make him mad; perhaps he so intended it.)

At the war peak our Government owed above 25 billions. In 1930 it owed above 16 billions. In 1935 it will owe around 32 billions. In five years, nearly 16 billions aggregate deficit.

On July 1, 1935, less than 18 months hence, there starts the fiscal year 1936, which the President says is to be the beginning of budget balancing. But he isn't in position to assure this. All depends on the temper of the public meanwhile. Public sentiment can cause a continuing slide into unlimited budgetary inflation, such as we have between 1930 and 1935, and into inevitable catastrophe three to five years from now. Or public sentiment can call a halt, make the Government live within its current income. The latter requires heavy taxes (remember this when you howl), and a relaxing of pressure for the Government to lend for this, that and everything. It requires also some measure of return to fiscal responsibility of your local and state governments.

Economy

NOT much actual economy is evident under this Administration. There's no such thing as a 25 per cent cut in ordinary government running expenses, as was promised in the pre-election campaign. There's much juggling of appropriations, much tricky bookkeeping, and much loose extravagance in the emergency expenditures. Perhaps it's unavoidable. Perhaps it's due to "the times." Perhaps governmental economy isn't a good thing just now (personally I agree).

Perhaps the fault lay in the original promise of 25 per cent cut, which most objective observers knew at the time to be a piece of election ballyhoo.

Whatever the excuse, it ought to be set down now, in unequivocal terms, that the Roosevelt Administration came in under an economy pledge which it is not fulfilling.

(This is merely one of many incidents, under many administrations, which makes me remind you periodically to be skeptical of all specific promises in all party platforms.)

Monetary Policy

THESE things seem certain: That the dollar will be devalued. (My *opinion* is that it will be closer to 55 per cent than to 60 per cent.)

That silver will be incorporated into the metallic base for currency, but probably not at a fixed ratio to gold, not with free coinage. That somehow or other the price of silver will be raised. That this will not be a major measure of inflation.

That greenbacks, as commonly known, will not be adopted.

That we shall go back to a gold standard, but a highly modified gold standard, without free availability of gold coin within the U. S.

That we shall have a managed currency—managed in an effort to keep the purchasing power of money more or less stable in future years.

The time of final devaluation is uncertain. It is unsafe to predict from week to week, but I take the risk of saying that formal official final devaluation seems a good many months off. Reason for delay lies mainly in the inability to reach any cooperative agreement with England, France and other nations. They are all playing a game of waiting to see what the others will do. They all want advantage for their own export trade.

There is no true spirit of world cooperation among them, and this applies to the United States quite as much as to the others.

Probably the next few months will be spent in further preparations for devaluation. First we take the gold "profit" away from the Reserve Banks. Then we manipulate the foreign exchanges so as to achieve a temporary de facto stabilization, partially satisfactory to business men, unsatisfactory to long-term investors.

We are in a transition period between the old monetary policy and a new monetary policy, and transitions are always difficult.

The Government has made clear its general ultimate intentions, but it can not disclose in advance its exact moves, or the time of them, because it doesn't know. It is playing a game, and there are other players—other nations, and combinations of economic forces within the country.

Inflation

IT ISN'T currency inflation toward which we are headed. It is credit inflation, born out of budgetary inflation. The stage is already set for a tremendous inflation of bank credit. This means bank loans, bank deposits, checks, rapid turnover of checks, pyramiding of borrowings. This credit inflation may begin in the spring, not much before.

Up to the present there's been talk of inflation, but not much real inflation. It takes volume of money (or credit), plus velocity, to make inflation. We've had the volume, stagnant. The currency inflationists have advocated increasing the volume of paper money. The Administration has not done this, but has worked slowly toward the spreading of government capital and credit. Then the Administration started to force *velocity* of credit with its public works and civil works expenditures. These represent the priming, supposed to start the economic engine. By spring we shall know whether it works. Inflation can be managed and the budget deficits can be managed IF there is public acceptance of the promise to balance the budget in 1936.

Banking

THIS Congress will not do much about banking. It will iron out some of the technical wrinkles in the Glass-Steagall Act, but they are of no great public importance. It will make no fundamental changes in the system of insurance of bank deposits, which goes into effect on a permanent basis next July 1; some limit probably will be set on insurance premiums assessed against banks. This is the year for experimentation with deposit insurance, and for the gradual easing out of existence of many banks by liquidation or merger. Under cover of deposit insurance this can now be done without serious shocks.

The Government is now the biggest owner of bank stocks. It has close to a billion dollars worth of preferred stock. Some minor portion of this sum will be lost, because it is invested in banks which will go out of existence. They will pay their depositors in full, but not their stockholders. The loss to the Government represents a second line of insurance against public panic.

Next year will be the time for drastic reorganization of the banking system. It will be in the general direction of the socializing of credit, of imposing some sort of government control of the credit or lending policies of banks, of unifying the banking system, of cutting the ground from underneath the various state banking systems. There will be far less profit in the banking business of the future.

Home & Farm Mortgages

IT LOOKS as if Congress may guarantee the principal of bonds issued by government agencies, such as the farm and home loan bonds. This would make them virtually government obligations, and add a big contingent liability to the budget. It probably will not actually cost the Government much, for most of the mortgages behind these bonds ought to pay out.

Congress probably will do something this session to make mortgage money available for prospective builders of small homes. There should be a strong demand for small new individual houses in the next few years, as families are relieved of the double-up living of the depression period. Construction industries and affiliated lines surely can expect much better business, beginning this spring or summer.

Securities

AMENDMENTS to the Securities Act will be minor, and this will disappoint investment bankers. The Administration is determined to keep a tight grip on the issuance of securities until it has figured out how and where to relax, and until it has evidence that the securities business can be "trusted." The wholesale frauds of the past are not to be permitted to occur again.

A good many new issues probably can be floated successfully a few months hence, when the permanence of the Securities Act is accepted, and when the monetary policy begins to shake down.

The outlook for the stock brokerage business does not seem to be good. The Government has in mind various measures to restrict the volume of speculation, both professional and amateur, and to regulate the stock exchange. This regulation will be moderate; the Administration frowns upon the drastic bills proposed in Congress.

NRA & AAA

NRA, or some reorganized form of it, will be permanent. Industry is irritated at it, but wouldn't give it up. There will be no vital change in the NRA Act by this Congress.

Enforcement, or "compliance," is now the great problem. It seems obvious that Government alone cannot enforce the codes. This requires cooperation between Government and industries. The trend of government thought is gradually toward enlisting the voluntary cooperation of business. This spirit is stronger in NRA than in AAA, for the latter is instructed by law to pay primary attention to farmers, and it is not much interested in the agricultural trades and industries; it would cut their profits to minimum.

The price-fixing policies of AAA seem delicate and dangerous. It is hard to see how they can be permanently successful.

It is not yet clear whether Congress will extend the power of the Government (NRA) to license individual units. The power has never been used, but it is a stuffed club in reserve. As for AAA and the agricultural trades, the licensing power will be not only retained but used.

Johnson of NRA has probably made more hits and runs, and also more errors, than most other officials would have done. He, as first phase man, must soon be supplanted by a second-phase man. He will be entitled to public thanks for those things which he has done well.

Labor

THIS Administration is frankly pro-labor, but it is not necessarily pro-union. It is moving slowly in the direction of having the Government itself look out for the interests of labor, and this is not in line with the wishes of labor leaders, for they feel that in the long run only trade unions can properly protect labor.

The future position of company unions is not clear. Those which are truly not dominated by employers may persist, but there has been so much abuse of the freedom of company unions by employers that it's hard to figure out their future position.

The 30-hour week will not be legislated by Congress at this session. Neither will there be any material amendment or clarification of Sec. 7(a) of the Recovery Act, relating to collective bargaining. This is a hornet's nest, and Congress, if faced squarely by the issue, would lean more pro-labor than pro-industry.

Foreign Trade

IT SEEMS highly doubtful whether there will be any big increase in foreign trade in the next couple of years. Reciprocal treaties and trade concessions sound good, but they don't actually make much trade. Fundamentally the trouble is with public sentiment in this country. We know that if we want to sell abroad, we must buy abroad, but we don't want to go so far as actually to apply the principle in practice. The sentiment for "protection against foreign competition" is stronger than the sentiment for world exchange

of goods and services. We would like to be international-minded, but in trade matters we aren't—much. It will take years to get ourselves educated.

Utilities

THERE are three important things on the political horizon for utilities. First, publicly-owned plants are not subject to the NRA code, and this means unfair competition, but there's a way out for private plants, for they can get a hearing and challenge the public plant. Second, there is a plan for a ten-year survey of the country's power needs, and for determination of the respective positions of public and private plants in the picture. Third, there's a government intention to impose more and more restrictions on holding companies and gradually to pare down their profits.

There's nothing in the political outlook to indicate that efficient operating companies cannot make satisfactory moderate profits for many years yet.

The President

YOU can examine a watch all you please but you don't see much until you look at the mainspring. You can analyze the in's and out's of this Administration, and of its various sets of officials, and their varying philosophies, but you don't know anything until you know the President. I don't mean the superficial or personal aspects of the man, such as are sketched by the press reports of his doings and his sayings. I mean the inner spirit of the man.

Anyone trying to report this Government's policies runs every day into the President's ideas. They guide every Cabinet member and every administrator of the numerous new emergency agencies. Often an official or adviser, or a set of officials or advisers, get to running strong on some idea, and suddenly discover that they are running at a tangent with the Roosevelt ideas. They get yanked back to a new direction.

I've known impersonally and philosophically a few Presidents. I've never known any President who was as omnipresent as this Roosevelt.

He isn't a good *technician*. He doesn't seem to know precisely and exactly what ought to be done about everything, and *why*. (Hoover did.) He seems to *feel*, rather than *think*, his way along. He's a poor engineer, but a good psychologist. In the technique of appealing to people, he is a real artist. He never seems to get mad, and he wins a lot of fights by wangling.

Whether he is a great statesman remains to be proved, but there's no doubt he is a great politician. As a politician he is certainly better than Hoover; possibly no better than Coolidge; better than Harding, or Wilson, or Taft, or McKinley; probably even better than Theodore Roosevelt.

Politicians, in all history, have made greater statesmen than men trained in any particular or technical field of endeavor. I think, perhaps, there's a good chance that this man Roosevelt is a great statesman.

His health seems good and ample—physically, mentally, spiritually.

New Party

THE so-called Democratic party of today looks nothing like the Democratic party of 10, 20, 30, or 100 years ago. It prays once a year to Wilson, and oftener to Jefferson, but this is just polite tradition.

The so-called Republican party of today hasn't the faintest resemblance to Lincoln, its first achievement, or to Hamilton, its legendary forebear.

It looks as if Roosevelt is making a new party under a continuing old name or advertised brand.

You can't imagine a lot of solid old conservative Democrats from the South and East going along permanently with Roosevelt. They are bound to be quietly skeptical, then openly critical, then publicly hostile, and finally to bust off into support of the other party.

You can't imagine a lot of western liberal Republicans, with their hosts of followers, deserting this man Roosevelt and finding political companionship in the Republican party.

The two old parties are rapidly splitting. Out of the split will come an essentially conservative party, called "Republican," and an essentially liberal party, called "Democratic." Then, after a few more years, there may arise a new party, truly radical, and thereafter the contest will be between this new radical alignment and one or the other of the old-name parties.

In the 1934 biennial congressional elections, Republicans will gain seats in Congress, but Democrats will keep control.

In the 1936 presidential elections, Roosevelt will be re-elected, if there is a reasonable amount of material prosperity in the summer of 1936, *if* budgetary and credit inflation meanwhile hasn't run its course and ended in a headache. Republican chances in 1936 are in the hands of the Democrats.

As for 1940, it's too far off to see, but it's around then we probably shall have our first real test of conservative *vs.* radical political theories.

The roots of the future run into the present, and you are determining the future by your day-to-day decisions. It requires that you keep a sharp eye, a flexible mind, and an active but carefully restrained imagination.

Business Outlook

JUST as January has shown less decline than most Januaries, so February ought to show more rise in business activity than most Februaries, and the March rise ought to be sharper than most March rises. These expectations are fairly well supported by visible facts.

The April picture is a bit muddy from this distance.

It looks as if the beginning of the permanent upturn in business began in late November or early December. It seems to many business observers that this improvement will continue, with fits and jerks, for several years, and that the beginning of the end of the greatest depression in history has already occurred.

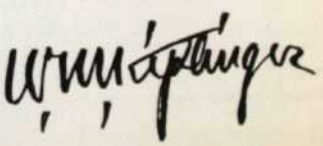
Of course you hope this is true, but you can't be perfectly sure of it until around April or May. By then we shall see how government credit holds up. By then we shall have some faint idea of whether private enterprise will take hold again, and do its stuff without the stimulation of artificial government aid.

You should feel more hopeful than skeptical about the May-June-July period, but you certainly shouldn't feel any breezy assurance until there is a better test of how far government credit can be stretched without the cracking of investor confidence. This confidence isn't a simple arithmetical problem which can be worked out in Washington. It is a problem in public sentiment, public psychology.

The year 1934 as a whole ought to have a business activity index of 85 (physical volume of industrial production), as compared with the 1933 index of 76. At least, this is the Treasury estimate, for purposes of foreseeing tax collections, and it is a careful figure. For the fiscal year 1935 (July, 1934, to June, 1935), the Treasury estimates nearly normal volume of production, 98.

Now seems a time for relaxing the long face of the past and for smiling a bit (not too broadly), but the shouting may well be postponed until mid-year.

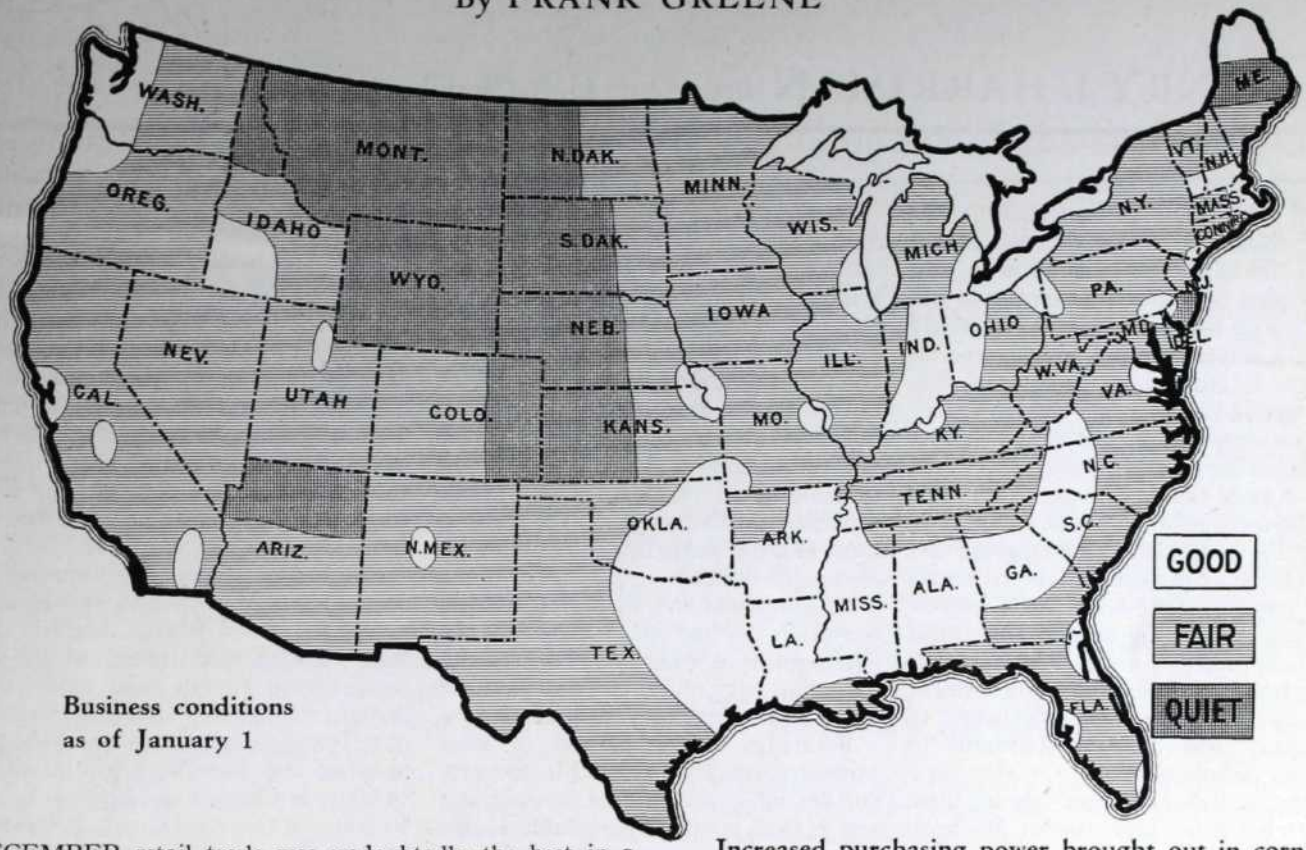
Yours very truly,



January 13, 1934

The Map of the Nation's Business

By FRANK GREENE



Business conditions as of January 1

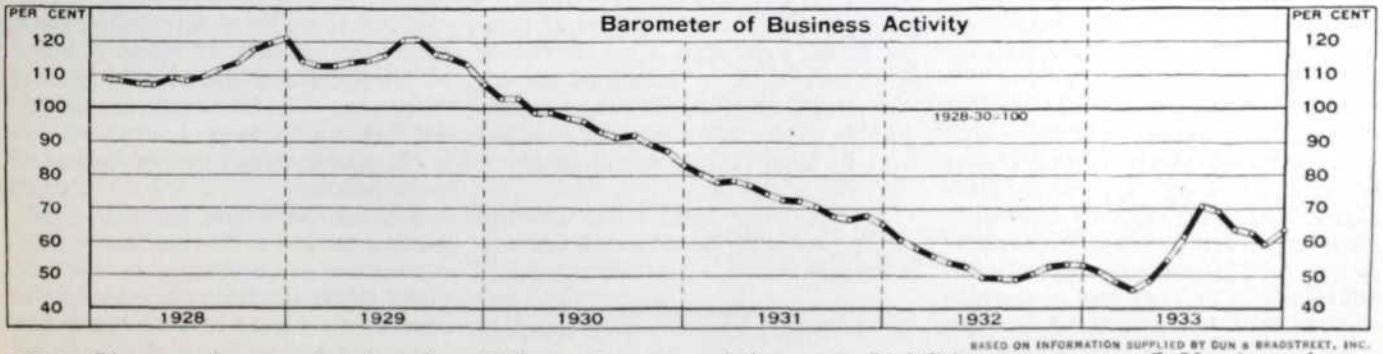
DECEMBER retail trade was undoubtedly the best in a long time. In a number of large cities, holiday trade, helped by public and civic works expenditures, was reported a virtual "sell out." In country districts higher prices than a year ago for many crop products was a stimulant. After Christmas, a normally dull week, trade was enlivened by the coldest weather in years accompanied by snow, which spurred sales of heavy wearing apparel, rubber goods and sport articles. Repeal aided powerfully to swell expenditures. In some areas an important share of the total retail expenditure was credited to the letting down of legal bars. Wholesale lines found stocks of goods lightened more than normally.

The Business Activity Barometer rose to late August levels. Electric power production was at its relative best since late October and the carloadings index was only equalled in one week since early August. The steel production index was the highest since early October. All five of the series covered by the Barometer were well ahead of 1932 with steel leading. The Barometer average for December was 20 per cent ahead of the like month a year ago.

Increased purchasing power brought out in corn crop areas by public expenditures and the increase in government loans contracted on corn have improved the map's coloring. Maine potato growers were reported getting $2 a bushel in December. Grape growers received $10 to $15 a ton



The map of a year ago



BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

1933—Gloom early; rose-tinted at close. Failures 36 per cent below 1932. Liabilities 45 per cent off. Year's steel output increased 70 per cent over 1932, pig iron 52 per cent. January 1 index 30 per cent above year ago

Where Employment May Be Found

By HENRY I. HARRIMAN President, U. S. Chamber of Commerce

THE FOG of uncertainty that cloaks the present depression as it has cloaked the depressions that have gone before it is beginning to lift. We are no longer obliged to rely solely upon a wavering sense of economic direction in groping for a way out. Experience is bringing into clearer visibility not only the pitfalls into which we stumbled but also the obstructions which still impede the way to recovery.

The three main points of attack have been the reduction of unemployment, the elevation of price levels to permit the payment of debts and interest charges, and the suppression of piratical business practices which were demoralizing trade and industry. To these might be added a fourth—the readjustment of monetary and banking standards to present requirements.

Progress has been made on all these fronts but it has been uneven. We have gone farther in some directions than in others. The revival of employment, especially, has been slowing down. Millions have been put back to work but other millions are still idle and until they can be set to the task of producing, we cannot rest upon the assurance that recovery is an accomplished fact.

Experience has revealed that all types of industry are not uniformly affected by depression. When industry halts and employment sags, it sags more in some fields than in others. The production and distribution of goods necessary to the daily round of existence shrink much less than the production and distribution of goods used for expanding and improving plants and facilities and bettering the environment in which we live. The first, for lack of a better name, have been called consumer or consumable goods industries. The second are variously called durable, capital or producer goods industries.

Production, in the case of consumer goods, is fairly consistent. It varies little with the vicissitudes of cyclical change through which industry as a whole passes. After four years of depression, according to one estimate, employment in this field of productive activity has fallen only to 81.5 per cent of the high point of 1929. In the second class, it has fallen to 41.1 per cent. Conversely, consumer goods industries yield most readily to the stimulus of recovery effort.

Indeed the knowledge we have gained during these adverse years all points to the conclusion that the solution of the present problem of unemployment will be found in the revival of durable goods industries. There are economic limits to quantities of goods we can consume or use to meet immediate requirements—the food we eat, the clothes we wear and the utensils and facilities we need to maintain a reasonably comfortable existence. Further expansion of employment in these industries is becoming increasingly difficult.

On the other hand, there is no limit to our desire for the improvement of the environment in which we live. Astounding as our progress in this direction has been, we are far from the goal.

Estimates of the number of wage earners normally employed in the production and distribution of capital goods are, at best, guesses. It probably ranges from 25 to 50 per cent of the total number of workers. When confidence prevails and the future can be viewed with assurance, the proportion rises. When the sense of security wavers, it declines.

There are now, as nearly as can be estimated, approximately 8,000,000 employable workers unemployed. Of these, 4,500,000 would normally be producing goods and 3,500,000 in transporting and distributing them. If the 4,500,000 could be put back to work at production, it may be assumed that the employment of the other 3,500,000 in transportation and distribution would follow as a matter of course.

Building up capital goods

WHERE is this employment to be found? The production of consumer goods is approaching the limit of present needs. Restriction upon the use of machinery in these industries has already been suggested. But the need for durable goods, the production of which has been almost at a standstill, is becoming more apparent.

In this latter field, then, activities might profitably be extended in three main directions:

1. In the rehabilitation of industrial plants to promote economy of operation and reduction of costs.
2. In the modernization of railroad equipment, with resulting improvement in service and the reduction of costs of operation.
3. In the elimination of slums and improvement of housing conditions.

On many of our industrial plants the dust of obsolescence has begun to gather. Industry, to keep up with the march of progress and keep production costs down to practicable minimums, must discard old machines and install new machines and processes which science and invention have devised. The challenge of depression must be met by greater, not by less, efficiency.

Railroad passenger transportation appears to be on the eve of another epochal period of development. Lighter and faster stream-lined trains, which will revolutionize present time tables and, perhaps, completely alter the character of rail transportation, are soon to be put to actual test. New York will be within 14 hours of Chicago and Chicago within 40 hours of the West Coast. Economies of operation, which they will make possible, will more than pay interest charges on the capital expended for the improvement. The Public Works Administration might well weigh the economic advantages of this kind of enterprise and of the elimination of grade crossings which high speed makes necessary.

The third, and probably the most important road open to industrial rehabilitation, is housing. Conservative estimates place at 40,000,000 the number of persons whose living environment is below the minimum standard of comfort and convenience necessary to the maintenance of a wholesome order of existence under modern conditions. To bring the housing of the entire country up to this standard would require homes with at least 50,000,000 additional rooms.

The desirability of this type of work cannot be gainsaid. It would promote health, decrease crime, improve general social conditions and result in substantial savings to local governments, it would greatly extend the possibilities of employment.

But the immediate question is not whether the end is desirable but whether its attainment is practicable. The task would be on gigantic proportions to be done over a period of years. It would require an outlay, eventually, of from 30 to 40 billions of dollars. If it is to be

(Continued on page 70)

NATION'S BUSINESS

FEBRUARY • 1934

Vol. 22, No. 2

Published at Washington by the Chamber of Commerce of the United States

Charting the Course of Business . . .

FOR WHICH OF YOU, *intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it?*

Lest haply, after he hath laid the foundation, and is not able to finish it, all that behold it begin to mock him,

Saying, This man began to build and was not able to finish.

—St. Luke xiv: 28-30

Estimating the cost . . .

★ PRESIDENT Roosevelt might have read these words of Christ before he wrote his budget message with its startling figures. Apparently he counted the cost; apparently he believes that we have sufficient to finish it.

"Brutally frank" was a favorite phrase with which to describe the message. There was a general agreement that it told the worst. Certainly a deficit of $7,300,000,000 in the year ended this June and of $2,000,000,000 in the year following must shock the preachers of a balanced budget. Certainly a public debt of $32,000,000,000 by June 30, 1935, holds no hope of lightened taxes.

On a basis of 125,000,000 population, the *per capita* debt in 1935 would be about $256. It was $240 at the peak of the war debt. So the figure from that angle is not staggering. Other countries have faced far greater burdens.

What would comfort the public would be a confidence that the debt would stop there, and the goods that are bought with the money which must come from the public will be worth the price.

Will the billions and billions for Tennessee Valley, for Public Works, for reforming farming—will all these give us a better land in which to live? Will trade be fairer, will the individual still have a chance to profit by his labor and his abilities?

Men are asking these questions as well as seeking to learn the cost.

Sound money is necessary . . .

★ THOSE who find in the Budget Message an assurance that we need not fear inflation seem to follow a somewhat roundabout and dubious course of reasoning. They say that no administration which must borrow from the public some $10,000,000,000 in two years can leave the lenders in doubt that they will be paid back money as good as they lent.

The argument for inflation commonly runs like this: the farmer borrowed a dollar when it meant a bushel of wheat; he was asked to pay back that loan with two bushels of wheat. The Government should do justice by cutting the dollar in two so that he may pay with one bushel of wheat.

That cry for debt readjustment by altering the value of the dollar is not going to be silenced by the Government's need to borrow money. The lenders who wait to pay in depreciated dollars will not yield their claims because others are being asked to lend more and might object to repayment in dollars of lower value.

The National Chamber asked "an early return to a gold basis with complete avoidance of monetary experimentative greenbackism and fiat money." It does not follow as Senator Wagner of New York said after the budget message was issued, "It must now be evident that the whole trend is away from fiat or printing press money."

The recovery program's cost . . .

★ PRESIDENT ROOSEVELT has shown himself one of the ablest of men in judging the public mind. The budget message was additional proof.

There was every indication that the average man was growing uneasy about the cost of the New Deal. Men who travel the country for NATION'S BUSINESS dropped into the editorial offices and met, as always, the question: "What are the business men you meet thinking and talking about?"

Almost always the answer came: "What's all this government activity going to cost? Can the Government stand it?"

Instead of answering these questions with a soothing syrup message, the President chose to put the financial situation about as baldly and as badly as it could be put. And the public including the business public, the newspapers and the market seemed to take it calmly.

Uncle Sam holds our debts . . .

★ THE deficits and the debts set forth in the budget are grave enough but it is proper to bear this in mind: Not all of it is to be new debt; some, perhaps a large part, of it is a shifting of debt from other lenders to the Federal Government.

While the government debt was going down in the lively years from 1920 to 1930, the city and state debt was piling up. As the depression grew, cities and states for the most part found themselves unable or unwilling to borrow. The Federal Government added to its burden through relief work, through RFC lending and then through Public Works and the other agents of the New Deal.

There was also a shifting of private debts such as farm home loans from individual and corporate holders to the Federal Government.

A loan for recovery? . . .

★ THERE is sure to be talk of a great popular loan along the line of the war time liberty loan sales. But the peace time

public mind is not going to be moved by quite the same things that moved the war time crowds. Patriotism is less potent than when bands are playing and soldiers are marching. These factors might figure in taking money out of the small investor's savings:

A larger rate of interest.

A confidence that he'd get back in interest and principle just as good money as he lent.

Faith in the promise that borrowings would end with the fiscal year of 1935.

Budget ramifications . . .

★ THE bombshell budget threw up a smoke cloud that quite obscured the regular message sent to the Congress a day or so earlier.

There were significant things in the message especially to those—and there are many—who have come to believe that the social proposals and promises of the New Deal are as important or more so than the economic.

There is widening understanding that the Tennessee Valley Authority is not contemplating merely a power plant or a fertilizer experiment station, but that it is undertaking to order and to regiment the lists of a section of our American population. Now the President says:

"In the Tennessee and *in other great watersheds* we are seeking the elimination of waste, the removal of poor lands from agriculture and the encouragement of small local industries, thus furthering this principle of a better balanced national life."

A yardstick of living as well as a yardstick of the cost of electricity.

Wheat prices and milk and eggs

★ "THE milk crop of the United States is worth more than the wheat crop plus the cotton crop," said the agricultural economist who occasionally calls on the editor. "And," he added, "the egg crop is bigger than the wheat crop."

The editor didn't dispute. There's no use disputing an economist, agricultural or otherwise. His figures are likely to be right whatever his deduction may be. So the editor merely said, "What of it?"

"What of it?" was the answer. "This: that all the stir and excitement and farm relief always seems to be directed at the wheat and cotton farmer. Perhaps they are the vociferous crops. Perhaps there are more wheat and cotton senators and representatives than there are milk and egg members of Congress.

"But what I am leading up to is this, that all the federal aid that goes into wheat and cotton has an effect on your breakfast milk and eggs, for the inevitable result of putting up prices of those staples means the putting up of the prices of feed for cows and hens and the cow farmer and hen farmer must find a way out."

Private and public power . . .

★ WITH the so-called "power issue" moving into a larger public consciousness by reason of the Tennessee Valley experiment, plus President Roosevelt's expressed hope of extending that experiment the quinquennial report of the Bureau of Census on the electrical industries for 1932 suggests informative comparisons.

Municipal electric light plants, the report shows, get more for their power than privately owned plants, the average price received for each unit by the former standing at 3.1 cents, compared with 2.7 cents received a kilowatt-hour by the private electric companies.

Of the total number of plants, 1,627 were privately operated and 1,802 were municipally operated. These figures compare with 2,137 and 2,198 respectively in 1927, when the last previous report was made. The reductions are 23.9 per cent and 18 per cent respectively. Municipal plants declined through purchases by private companies, and private plants decreased through mergers traceable to holding company acquisitions.

Although the two groups were about equal in number, the private plants averaged 2,873 kilowatt-hours a year to each customer, against 1,683 by municipal plants. This difference is explainable by greater farm service, industrial, street and interurban railway and electrified steam-railway sales of the private companies. The municipal plants sold more electricity for street lighting and a larger annual average amount to domestic consumers.

Because of these differences of load, the average price received for each unit by private companies was 13 per cent below the average obtained by the municipalities.

Current for street lighting was sold well under the rate charged by private utilities, but the latter charged much less to farm users and railway consumers than did the publicly-owned plants.

For domestic service, which is the backbone of the utility business, private companies charged an average of 5.6 cents a unit in 1932, compared with 4.7 cents charged by municipal plants.

It is here that the question of taxation presses for recognition. Private plants bear a burden from which the municipals are exempt. This disparity was accented in 1933 by imposition of a three per cent tax on gross sales to domestic consumers which municipal plants do not pay; by adherence to the NRA conditions, not required of public systems, and by increasingly higher state and local taxes for private business of every nature.

Supreme Court and the emergency

★ THE Supreme Court on Monday, January 8, handed down a decision upholding an act of the Minnesota legislature extending the time in which owners of property sold under foreclosure might redeem that property, provided meanwhile the owners have paid a reasonable rental for its use.

That decision was widely hailed as forecasting a complete approval by the Supreme Court of all the legislation which the Congress enacted last spring. Let's for a moment consider these facts:

The decision was five to four, a balance which might be upset despite the talk of an immutable line up of liberals and conservatives.

The Court's decision upheld not an act of Congress but an act of a state legislature altering a previous act of the same body.

Stress was laid upon the emergency nature of the act in question.

Much of the long majority and minority opinions was not concerned with the question at issue but was a discussion of political ideals.

Nevertheless, statements of principle laid down by a majority of the Supreme Court are important as well as interesting whether or not they are binding on future decisions of that body.

It is well to ponder this statement contained in the majority opinion:

"Where, in the earlier days, it was thought that only the concerns of individuals or of classes were involved, and that those of the State itself were touched only remotely, it has later been found that the fundamental interests of the State are directly affected, and that the question is no longer merely that of one party to a contract as against another, but of the use of reasonable means to safeguard the economic structure upon which the good of all depends."

And then contrast it with this from the opinion of the minority:

"If the provisions of the Constitution be not upheld when

they pinch as well as when they comfort, they may as well be abandoned."

The President and Congress . . .

★ LAST month NATION'S BUSINESS suggested that the answer to the question, What the Congress would do? was to be found in the urban streets and the rural crossroads of the country.

The Congress is not a body of autocrats; it is a group of men, eager for the most part to follow the wishes of their constituents. If the folks back home want President Roosevelt to go ahead, if they like the New Deal, then their representatives in Congress assembled will like them, too.

So far there is every indication that the men and women who elect Congressmen are with the President. The Congress knows it and will carry on with him.

There has been no real break at least in the first two weeks of the new session.

The honeymoon isn't over.

The St. Lawrence treaty . . .

★ THE President is eager to see the St. Lawrence project under way. He favors it as an addition to our national transportation system and as a source of power—another yardstick by which the price of electricity may be measured. Opposition to the treaty in the Senate is determined and bids fair to be successful.

There is a tremendous pulling and hauling of powerful interests for it and against it. The railroads say we already have enough and more than enough transportation; the utilities companies wonder if further production of electricity is warranted at this time; the Atlantic seaboard sees its shipping threatened.

Against this is the plea of the agricultural states of the Middle West for cheaper and more direct transportation to Europe and the desire of some Great Lakes cities to share in direct trade to Europe.

With these transportation factors is coupled the plea that the St. Lawrence as a power producer would add to the public protection against existing utility companies—the so-called "power trust."

The leader of the opposition to the President is the President's loyal supporter in most other things, Senator Wagner of New York.

He will be aided in his opposition by the change that has come over agriculture in this country since the St. Lawrence idea was first set forth. There is and will be less talk of export of farm surpluses. It is probable that the battle of the St. Lawrence will be fought more on the power than on the transportation issue.

It is doubtful whether the St. Lawrence treaty will be ratified at this session. If it is, it will be added and convincing proof of the President's great hold upon the people and his skill as a politician.

Company unions again . . .

★ OF ALL the causes of trouble in drawing up and enforcing NRA codes, labor relations have been and will continue to be the chief.

The American Federation of Labor from the start set out to force its ideas of unionization down the throats of employers. Its membership grew though its prestige was hurt by the great increase in strikes last Fall.

Now the case for the company union is forcing itself to the front. Out in Weirton, Ernest T. Weir of the National Steel Company has been making a gallant fight for his right to deal directly with his men.

Mr. Weir points out that in the first three months after the workers formed their organization 437 cases, mostly dealing with wages, hours, and work conditions, came up for joint discussion and that 62 per cent were decided in favor of the men.

Walter C. Teagle who is chairman of the Industrial Relations Committee of the President's Business Advisory Council had recently a word to say for employee representation in certain types of industry but with this proviso:

> For the employer accustomed to ruling with an iron hand, industrial representation will not succeed. If he is not willing to commit himself to paying at least the prevailing wage for similar work in the locality, or if he is not prepared to be overruled on some questions that arise, or if he is in the least unwilling to deal frankly and openly with his workers, he should not adopt employee representation.

Evicting slum dwellers . . .

★ MOST of us would offhand bid Godspeed to any project that bears the label "slum clearance." It is an evil thing and a reflection on our civilization that men and women should be housed like animals.

But it is well to learn before we tear down slum buildings what is to become of the men and women who have been housed in those buildings.

Are they merely to be driven from one slum to another? Or will the new building which replaces the slum be within their means?

Not long ago, RFC lent money to a New York builder to clear out a lower East Side block in New York and replace it by a tax exempt model housing project.

What will become of the 386 families compelled to find new quarters by this ambitious project?

A recent study of the problem by social workers gives this information:

Only three of the 386 are able to move into the new building, though 379 said they would like to. Of those who must seek new quarters, more than 80 per cent are obliged to live in old tenements long denounced as "unfit for human habitation."

In short, slum clearance has provided not new and better houses for slum dwellers, but better accommodations for a group living on higher income levels.

How inflation grows . . .

★ THE growth of inflation, once it gets started, is shown by this table of circulation and value of German paper marks which was published in a letter of the National City Bank of New York:

	Marks Note Circulation	Number of marks equaling one U. S. dollar
Jan. 6, 1923	1,336,500,000,000	8,695
Feb. 7, "	2,253,963,000,000	36,363
Mar. 7, "	3,871,256,000,000	20,619
Apr. 7, "	5,624,110,000,000	21,052
May 7, "	6,723,070,000,000	36,764
June 7, "	9,309,532,000,000	76,923
July 7, "	20,241,750,000,000	222,222
Aug. 7, "	62,326,659,000,000	3,125,000
Aug. 15, "	116,402,515,000,000	2,777,778
Aug. 23, "	273,906,373,000,000	4,347,826
Aug. 31, "	663,200,000,000,000	9,523,809
Sept. 7, "	1,182,039,000,000,000	33,333,333
Sept. 15, "	3,183,681,000,000,000	105,263,157
Sept. 22, "	8,627,730,000,000,000	172,413,793
Sept. 29, "	28,228,815,000,000,000	204,081,630
Oct. 6, "	46,933,600,000,000,000	909,090,909
Oct. 15, "	123,349,786,603,000,000	4,000,000,000
Oct. 22, "	524,330,557,246,000,000	44,444,444,444
Oct. 31, "	2,496,822,908,936,000,000	166,666,666,667
Nov. 7, "	19,153,087,468,804,000,000	2,500,000,000,000
Nov. 15, "	92,844,720,742,927,000,000	4,000,000,000,000
Nov. 23, "	223,927,315,083,796,000,000	5,000,000,000,000
Nov. 30, "	400,267,640,291,750,000,000	6,666,666,666,667

Inflation will waste much of our time if we should ever have to read aloud such numbers as four hundred quintillion, two hundred sixty-seven quadrillion, six hundred forty trillion, two hundred ninety-one billion, seven hundred fifty million.

New Ideas in Selling

THIS page is a transition from our former monthly page, "Developments in Distribution." Its scope will be narrower than the latter page; its contents—we hope—as useful

THROUGH a specially developed new tin container, beer soon may be distributed in cans as well as in bottles. The tin resembles the ordinary vegetable tin, though it is more substantially made. It is lined with the same type of special coating used in beer barrels, is, in a sense, an individual keg of beer. A special opener, which instantly cuts a large triangular hole, thus preventing spurting of the contents, has also been developed.

Duds in the suds

A NEW hook-up between laundries and textile firms is projected through a plan by which laundering qualities of fabrics will be tested by the Laundry Owners National Association. Sample swatches of each lot of material going through the converter's plant will be submitted to the Association for test, under the plan, and those meeting requirements will be permitted use of a "laundry-tested" label. Textile firms expect to add sales appeal to their fabrics, laundry owners expect to escape customers' kicks because of "washable" fabrics which really aren't.

Pictures for rent

A "RENT-A-PICTURE" library has been opened in New York. Library members pay a yearly fee, are privileged to rent paintings for three months for 2½ per cent of the sales price. Oil paintings, water-colors, drawings, etchings, lithographs and sculptures are offered.

Speeding distribution

ALREADY operating in five large cities and their surrounding territories, a distribution service has been developed which combines and coordinates railroad, warehouse and motor-truck facilities under one responsible management. Shippers are offered delivery of their goods direct to the doors of their customers' stores, through one set of hands and with one order and one invoice. The system is said to give faster, better, less complicated, more economical delivery service.

Moving surplus fish

PERILS of the deep aren't the only ones in the fishing industry. When the nets bring in a heavy catch of one variety there's the peril of glutted markets and consequent price demoralization. To help move such gluts, a cooperative campaign for the industry has been outlined. Under the plan a series of advertisements and electrical transcriptions, each featuring one variety of fish, would be filed with newspapers and radio stations. When an excess catch of one variety occurs, advertising mediums would be notified to release advertisements to stimulate sales of that variety.

Making games sell goods

THE current popularity of adult games has been seized upon by a globe manufacturer to promote the sale of a new small terrestrial globe. He offers a "new globe game" with the globe, a booklet containing geographic questions and answers. . . . Similarly, a new children's game in which a flashlight is an essential part, is promoted by a battery manufacturer through sets of rules distributed to children by dealers.

Odd lots

A RADIO manufacturer has devised a radio performance "yardstick" which gauges the reception of the prospect's old set—good, fair or poor—according to the zone it can bring in. . . . A "three-dimensional" car-card has been devised; also a sign for rear dashes of street cars which has a reflector background that picks up auto headlights, silhouetting the display message. . . . It's "dated cars" instead of "used cars" that several dealers now handle; the new monnicker helps sales, they say. . . . A typewriter company is lending stenographer appeal to its ribbons by packaging them in "vanity case" metal containers.

A sales club for printers

A NEW "sales club" is being organized among commercial printers to effect exchange of actual jobs they have sold and printed and which other printer members of the organization may in turn sell in their own cities.

One sale leads to others

A KITCHEN display set, originally designed to promote the sale of metal sinks is doing not only that but is aiding several New England gas and electric companies, as well as department stores, to sell other kitchen equipment through a kitchen planning service. The set consists of a wall section and linoleum flooring, depicts a corner of a modern kitchen. Use of a metal sink is required with the set; the utility or store may complete the furnishings from its own stocks. Housewives attracted by the display are offered detailed plans for rearranging, reequipping their own kitchens. The plans may be executed at once or housewives may proceed with them bit by bit as finances permit.



Distribution in branch-line towns may be aided by this modern version of the old "accommodation" combined freight and passenger train

New in premiums

AN Erie store finds a profit in Indian arrowheads; it issues coupons with every 25-cent purchase, offers one arrow-head for 12 coupons. . . . Soup sales are upped by one packer through a three-can carton which converts into a toy moving picture theater, with "film" furnished. . . .

—PAUL HAYWARD

EDITOR'S NOTE—Further information on any of these items can be had by writing us.



BANG any hand-operated carriage back a thousand times—then you'll understand the advantages of electric carriage return

The new Burroughs Electric Carriage Typewriter saves the typist all interruptions formerly required to shove the carriage back by hand a thousand or so times a day. The built-in motor returns the carriage and spaces to the next writing line. It also shifts to capitals. Each carriage movement is controlled from the keyboard. This results in easier, faster and neater typing.

BURROUGHS ELECTRIC CARRIAGE TYPEWRITER

BURROUGHS ADDING MACHINE COMPANY, DETROIT, MICH.

When phoning your local Burroughs *dealer please mention Nation's Business*

The Auto Industry Fights Back

By DONALD WILHELM Author of "The Book of Metals"

THE automobile shows of 1934 have a far deeper meaning than even admiring throngs may sense. On view there the visitor finds cars of revolutionary design; cars with independent front-wheel springing; with new modes of air-conditioning, improved transmission, automatic starters and non-stalling motors.

These improvements are taken for granted. The public has come to expect the cars of each new year to be better than the cars of the year before.

It has always been so—but the significant thing is that the research and experimentation which made these latest cars possible was carried on in a period when, to quote the president of one auto company, "Production was so small I could inhale it."

In that period production in the automobile industry dropped two-thirds and income three-fourths.

In 1929 the industry produced 4,784,898 cars and 826,817 trucks—5,621,715 units valued at $3,576,645,881. In 1930, its production fell off 37.5 per cent and its income proportionately more. In 1931, its production fell 29.6 per cent below that of 1930 and in 1932 it went down another 42.1 per cent. That year it produced only 1,431,494 units valued at $793,045,300.

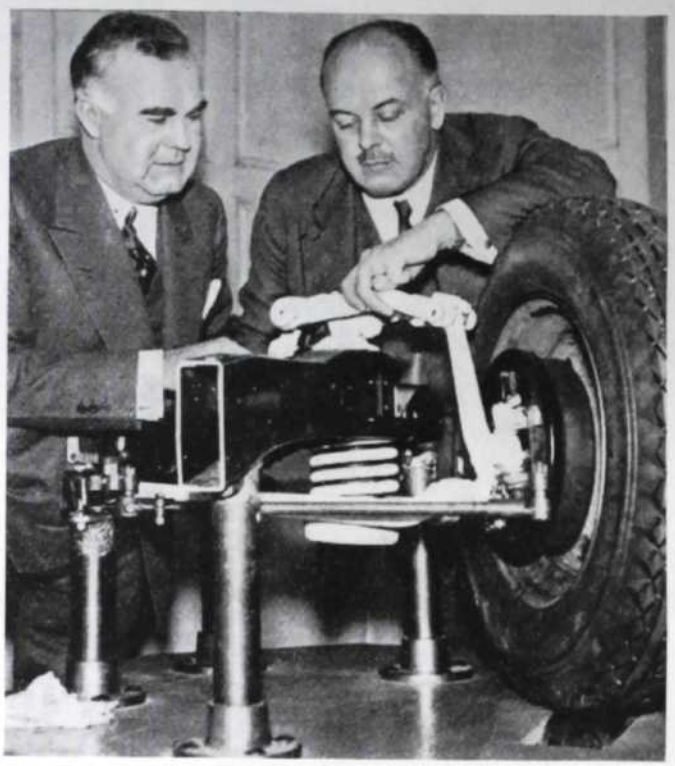
But, in spite of these discouraging figures, every company has been doing its part to make the motorist feel the lure of 1934 and to give new cars added values. Depression has energized, rather than depressed research, experimentation, test and ceaseless striving for new and better things.

There has been nothing altruistic in this. Efforts to produce cars with better acceleration, higher power ratios, lower gas consumption have been based on the hard dollars-and-cents judgment that it was better to continue to fight and risk money on improvements than to take a licking lying down.

Moreover, this attitude has already justified itself. Sales and production figures were better in 1933 than in 1932 and the companies which have been the most courageous are the ones which today occupy the best positions in an industry which has been described as the most competitive on earth.

"For it," as Carl Breer, one of the triumvirate who direct Chrysler research and engineering, told me, "every stoplight is an invitation to a race."

But, for all its competition, it is also the most cooperative industry we have, thanks in large part to the spirit of its leaders, to the National Automobile Chamber of Commerce, through which all manufacturers, except Ford, can exchange all patents except those of design, and, notably, to Alfred Reeves, vice president of the Chamber.



Fred Zeder, engineer, and B. E. Hutchinson, both of the Chrysler organization, have been prominent in the industry's drive for better cars in 1934

★

"IF you won't be licked, you can't be licked" was a sports phrase but the 1934 automobile shows reveal that the car makers have adapted it to business. And figures prove the wisdom of their policy for sales and profits

Cooperative

BECAUSE of this cooperation, the automobile industry, more than any other can be regarded as a single large unit. Viewed in this way it has been, is and will continue to be one of the greatest prime movers, at least in the social and economic sense, that the world has ever seen.

It has interest for every one of us, is of vital concern to millions of us, including more than 4,000,000 wage-earners for whom it normally either directly or indirectly provides employment (an estimate by the National Automobile Chamber which seems unaccountably low since Mr. Ford has stated that 5,300 separate organizations normally serve his factories); more than a million folk who own its securities (a number which has insistently increased during the depression).

Because it is so big there are folk who presumed that this industry couldn't be hurt much. Actually, though, as any executive knows, the ratio runs the other way. All things equal, the bigger the industry, the more profound and extensive are the damages and repercussions when it falters.

The president of one company suggested what the past four years meant to him: Laying off thousands of employees, necessarily abolishing the company's employee savings funds to which

Justify your wife's confidence— she trusts her todays and her tomorrows to you



LOOKING back, you may take a great deal of pride in the things you have been able to do for your wife. Her happiness is of first importance to you. But looking ahead, is it clear sailing?

The more you want to do for her, the more difficult it often becomes to decide how much to spend for comfort and pleasure today and how much to put aside for the "tomorrows".

Has your wife the comfort of knowing that you have found a way, or will find the way, through a well-planned Program of Life Insurance, to provide for her continued financial protection?

Optimism may suggest that her future will take care of itself. But all about you is trouble that you hope your wife will never experience.

Establish a plan for future financial independence for your wife and yourself. Have it include reserves which will tide you over in event of accident or sickness. Then your "todays" will be happier because you have made your "tomorrows" safer.

A Metropolitan Field-Man will be glad to tell you how the Monthly Income Plan will provide for your wife's future and perhaps your own as well. Send for him — or mail the coupon.

Have a well-rounded Program of Protection. The Metropolitan's contracts afford a means to

—create estates and incomes for families

—pay off mortgages

—educate children

—provide income in the event of retirement

—establish business credits

—stabilize business organizations by indemnifying them against the loss of key-men

—provide group protection for employees covering accident, sickness, old age and death

—provide income on account of disability resulting from personal accident or sickness.

Metropolitan policies on individual lives, in various departments, range from $1,000 up to $500,000 or more, and from $1,000 down to $100 or less—premiums payable at convenient periods.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

Metropolitan Life Insurance Company, 1 Madison Avenue, New York, N. Y. (N)

Without obligation on my part, I shall be glad to have you give me information about the Metropolitan's Monthly Income Plan of Insurance.

NAME

ADDRESS

CITY

STATE



METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT • • • ONE MADISON AVE., NEW YORK, N. Y.

© 1934 M. L. I. CO.

it had long contributed, helplessly watching the destruction of morale that accompanies uncertainty, along with dissolution of his organization, including his dealer organization. All this, in a time when Detroit was facing a winter so devastating it has been estimated that fully one-fourth of its population received charity help of some kind.

October, 1932, was the low point. In November, 1932, demand for cars abruptly picked up. The trend upward persisted. The 1933 automobile shows were impressive. Cars were without precedent in their cheapness. There was ground for encouragement when, on February 14, came the Michigan bank holiday!

Next came the national bank holiday!

Now add, for good measure, a few other complications:

Taxes, all manner of federal, state and local taxes, to discourage car ownership and operation; steadily increasing mortality among dealers, and, just when they were most needed, a strike by the Mechanics Educational Society, involving the great bulk of tool-and-die makers of the industry.

People still buy cars

NEVERTHELESS Americans were buying cars; in fact, the chief statistician of one company has demonstrated that during much of the depression folk regularly employed have, with almost customary regularity, been buying new cars, and, moreover, have been making larger down payments.

Now the question is, "Will sales continue to mount?"

One man's guess may not be so good as another's, but all hands agree on this: If prosperity returns, wheels and shafts start spinning to the full again and a few million more jobs are made available, the industry is about to enter the most prosperous era it has ever enjoyed.

"But," you ask, "if the depression is further prolonged?"

By way of evidence rather than of answer, let's begin, in the light of many conversations with leaders in the industry, with the horizon and work swiftly back toward the middle.

In 1901 there were 15,000 automobiles in the United States. In 1908 there were ten times as many. Between 1908 and 1914 the number again increased tenfold. Between 1915 and 1932 another tenfold increase followed. At the beginning of 1932 some 25,814,000 automobiles were registered in this country.

Now the normal increase in car registrations in the United States, to provide for new families or new drivers, approximates 1,000,000 cars or about the equivalent of American production in 1932.

That the actual wearing out and scrapping of cars, on the basis of a calculated estimate by R. L. Polk, amounted in 1932 alone to 2,781,391 cars. The industry has not produced that many cars in any of the past three years. Moreover, cars in use in 1934 are, in general, older. It may be assumed that their wearing out increased in 1932 over 1931, in 1933 over 1932 and will increase proportionately more in 1934, and, particularly because the new 1934 cars will at least vividly remind us how old our cars are, possibly more than ever will go to the graveyard, especially when NRA makes repairs and replacement of worn parts more expensive while really old cars cannot be sold for even a song—one factor which admittedly may cause some car owners to hang on to their old cars until death do them part.

It would seem, now, if one essays a rough trial balance, that our car production in the past three years has little more than covered what in normal times would be the natural growth in our car population; that approximately 3,000,000 cars during each of these years were scrapped or at least might well have been scrapped. These speculations imply an almost incredible need of replacements, each of which will turn more or less upon the state of the nation and the individual pocketbook.

Moreover, there is a heartening story in the increase of car exports, in part, no doubt, the product of the revaluation of the dollar. Demand for cars made in America by American firms in Canada and England and Australia has increased. Holland is doing its part. Sweden, too, and South Africa. Partly, no doubt, because of the Chamber's lectures and motion pictures in 59 foreign countries.

Dealers suffer most

COMING to the dealer situation, one finds that, at the beginning of 1931, there were 46,197 retail automobile dealers in the United States. A year later, 3,152 of these were missing and by January 1, 1933, more than 8,000 were among the known dead, not to count numerous sick and wounded.

Actually, one executive authority estimated, the retail automobile dealers of the United States have lost more money during the last five years than the industry as a whole has made.

Why?

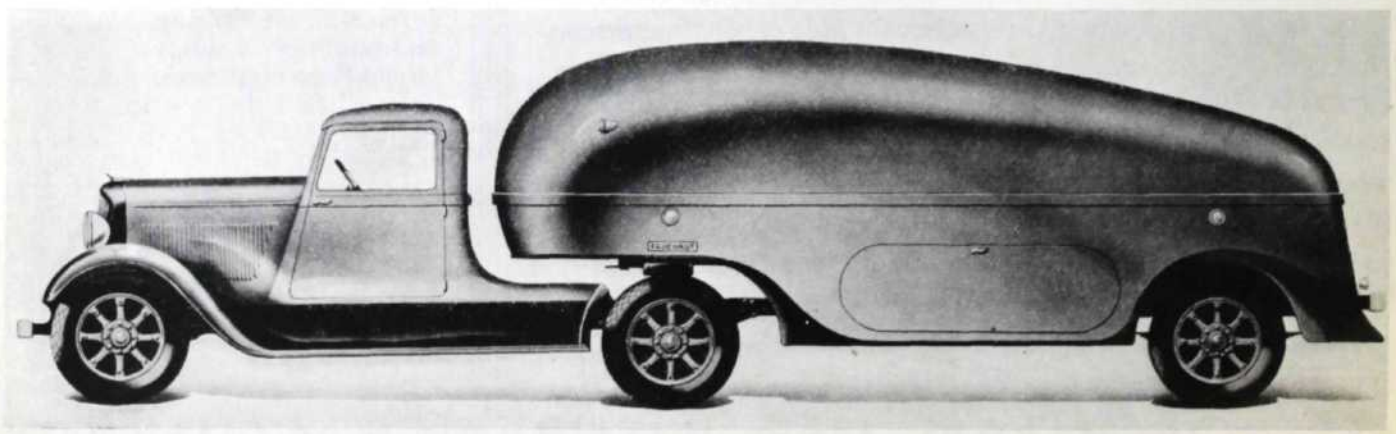
Primarily because of unrestricted and competitive allowances for used cars which gave the advantage to dealers who provided little or no service and had minimum overhead, and partly because all dealers had in some measure to recoup their fortunes from the "pack," —sale of extras, the levying of transportation charges and the like.

Allowances for used cars are now to be regulated by the automobile code. Manufacturers are taking it upon themselves to provide cars more fully equipped and to standardize retail prices. Nevertheless, some of the major manufacturers at least, and I gather all, are sustaining the customary commissions to dealers on the farsighted theory that they have had their lean years; deserve a few fat years at least; can, by prospering, invite new capital and so multiply the total business.

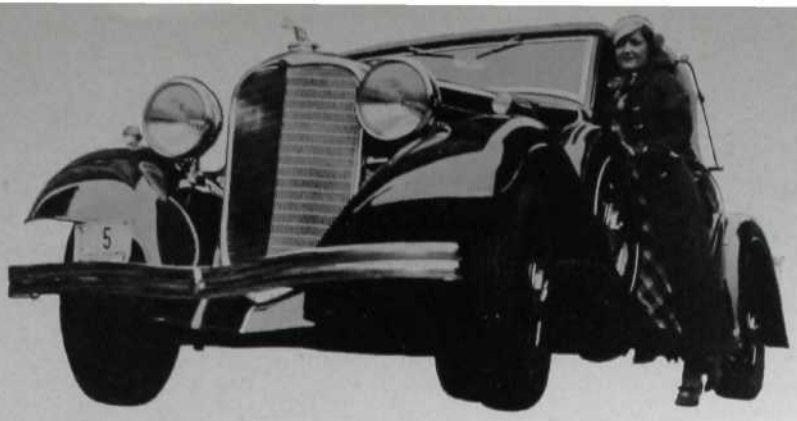
Finally, back at the center of things, in the industry itself, the various units continue to compete and cooperate.

What the public wants is of supreme

(Continued on page 50)



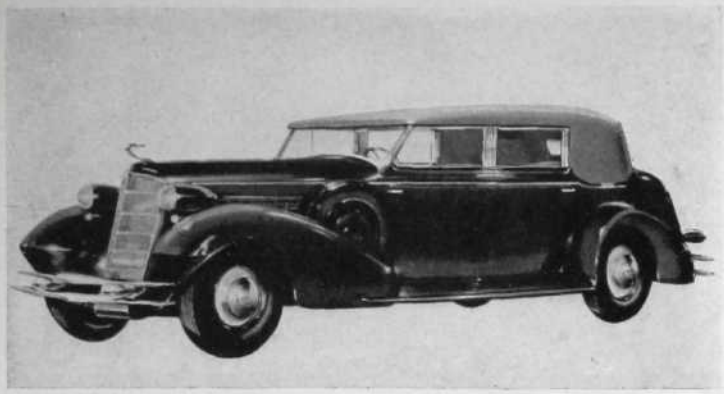
This oil-trailer by the Fruehauf Trailer Company is said to reduce wind resistance without increasing weight. Even valves for filling the tank are inset to allow an unbroken surface



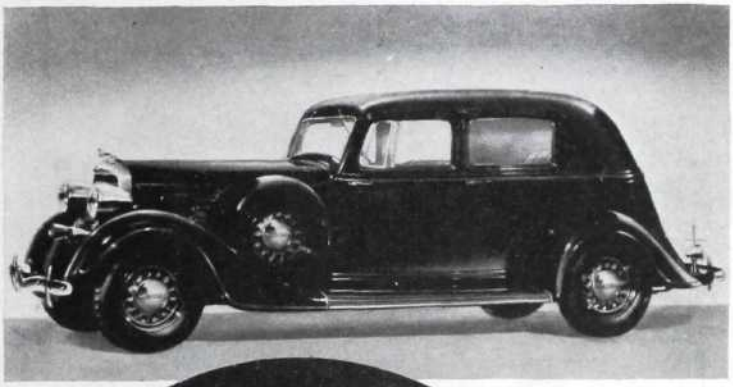
Mary McCormic, noted singer, with her new V-12 Lincoln convertible coupe. The top disappears into a hidden compartment

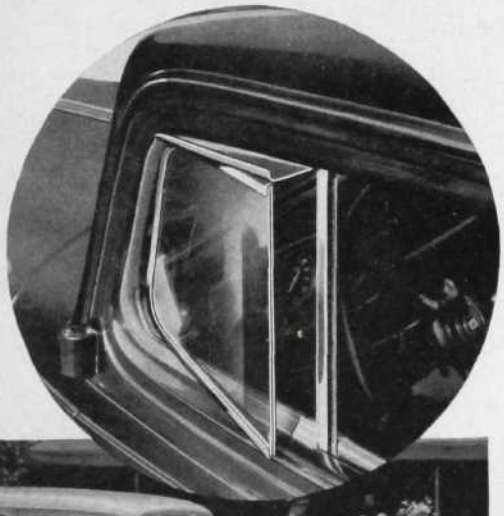
The Cars Depression Couldn't Stop

IF proof is needed that the automobile industry refused to quit because of hard times, the new models shown here should provide it. Every model, in whatever price range, offers improvements and innovations developed through research carried on during the years of depression



One of the three new models which Cadillac is offering. "Knee-action" wheels, made possible by a new system of front-end construction are said to give complete riding comfort





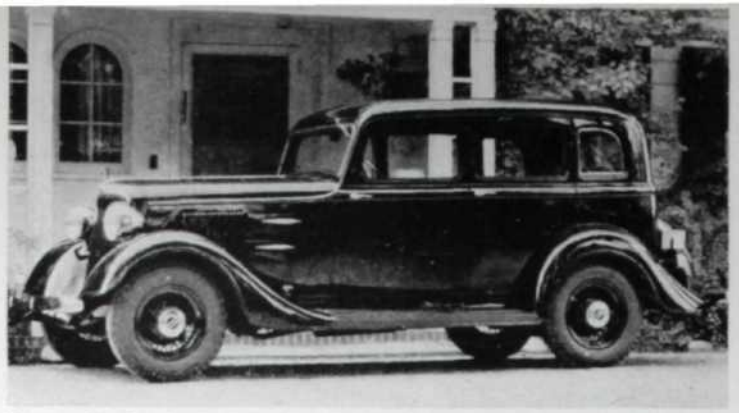
All General Motors Cars feature Fisher No-Draft ventilation. A new element is the snow or rain deflector above front doors



Buick celebrates its thirtieth anniversary by offering vacuum power brakes, a new steering system, automatic devices for quick starting and improved front-end construction on its models for 1934

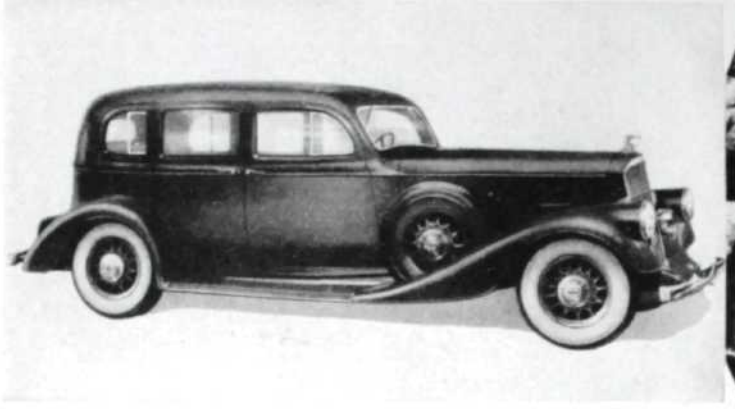


"Aero-Streamed" bodies, floating cushion front wheels and floating power are features of the new Dodge, shown above. A new feature of interior construction to simplify storage of luggage is shown below



Pioneer in floating power, Plymouth greets the new year with a completely new system of front wheel suspension designed to improve handling ease, driving safety and riding comfort

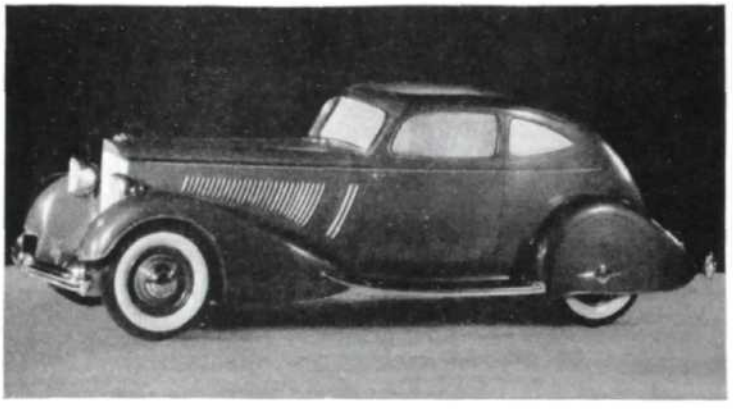




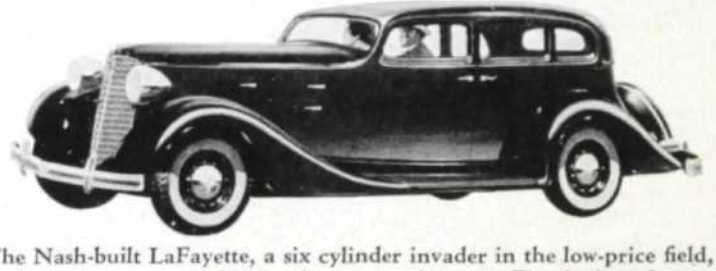
Power brakes which receive their energy from the motion of the car itself, first introduced by Pierce-Arrow in 1933, are again featured in the 1934 cars. Automatic starting, improved free-wheeling and safety glass throughout are also standard



Pontiac claims a ten per cent greater economy for its 1934 straight eight motor. Its seven models have "windstreamed" Fisher bodies. International Harvester offers a line of trucks adaptable to every need



The Packard line for 1934 includes 41 body models in 13 different types and three engines. A new body feature is an under-the-fender arrangement which prevents the wheels from throwing stones or water against the body



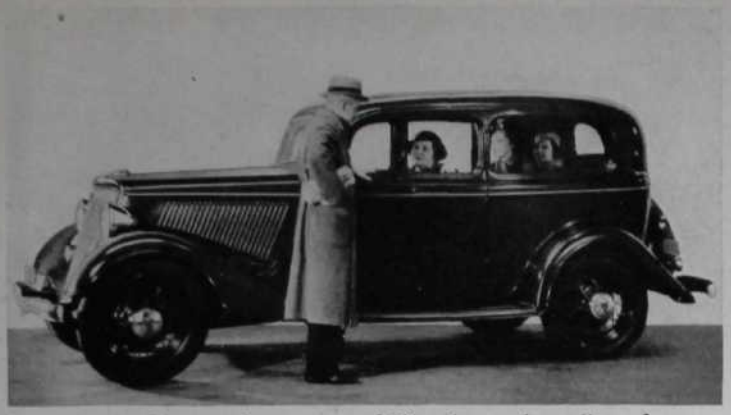
The Nash-built LaFayette, a six cylinder invader in the low-price field, is the only new competitor in that group this year. Five body styles are offered in both "standard" and "de luxe" lines



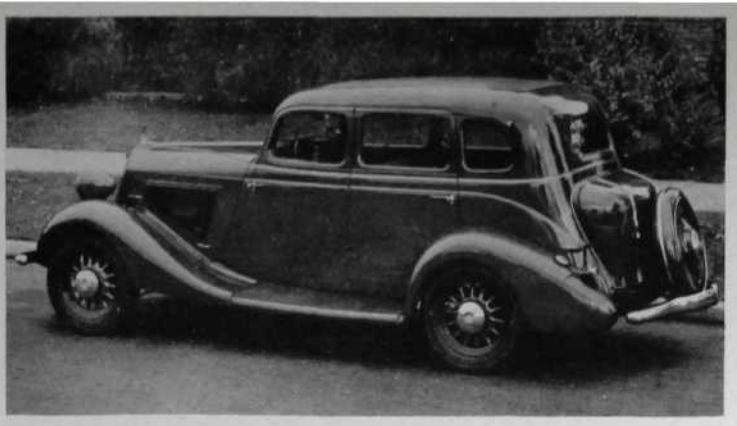
The Terraplane six which replaces last year's model has a larger and more efficient motor which, coupled with the weight reduction made possible by unit construction of body and chassis, gives unusual horsepower per pound of car weight



The 1934 Chevrolet is longer, the engine is placed further forward and seating rearranged. Improved rear spring suspension and a more balanced weight distribution have been coupled with "knee-action" front springing for added riding comfort



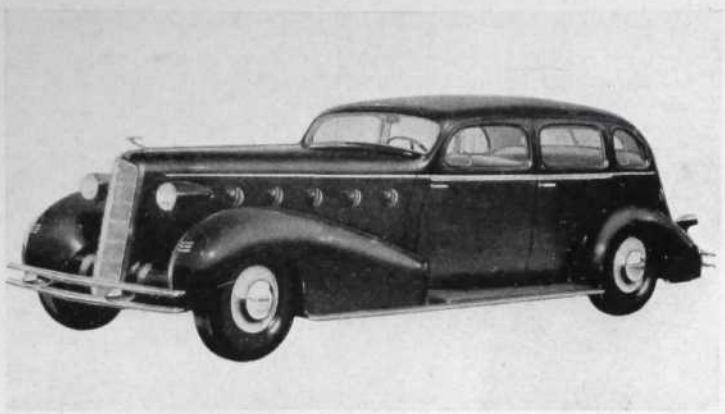
A 12 per cent increase in power and 20 miles to the gallon of gas are claimed for the 1934 Ford V-8. The new cars also have a ventilation system built into the body. It operates by sliding the window glass into a slot thus providing a vertical opening



Style and stamina are the dual claims for the 1934 Studebaker. Mechanical features include automatic choke, automatic starting and automatic ride control. "Aerodynamic streamlining" is said to give speed, safety and economy



Many revolutionary changes are claimed for the new "Airflow" Chrysler, including new principles of balance, springing and ventilation. Wider doors and greater roominess are added to the mechanical and engineering advantages



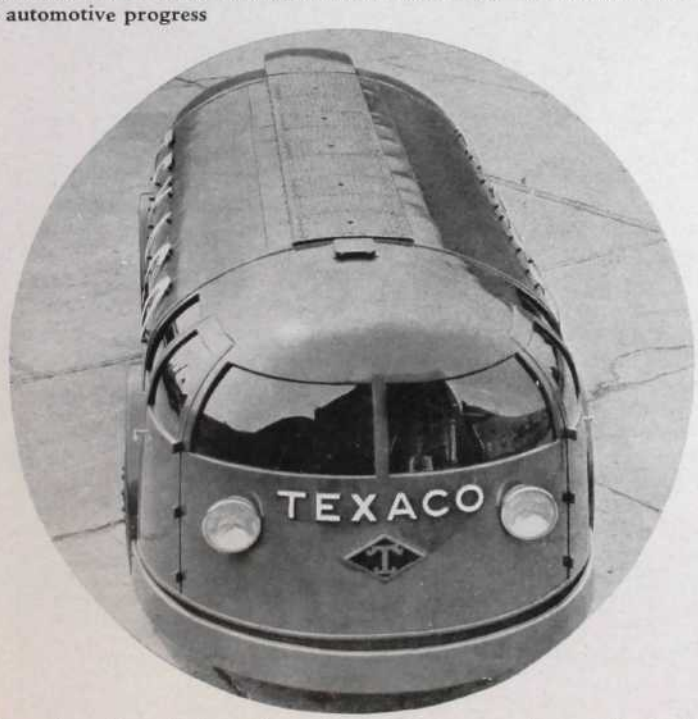
The La Salle for 1934 is a completely new car, completely redesigned. "Knee-action" front springs, Fisher No-Draft Ventilation and greatly improved control mechanisms are among the advantages offered



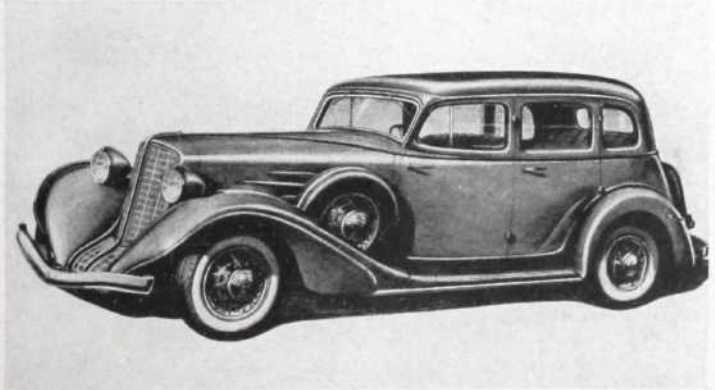
The Self-Shifter, a mechanism which automatically selects the proper gear ratio for different driving conditions, is Reo's 1934 contribution to automotive progress



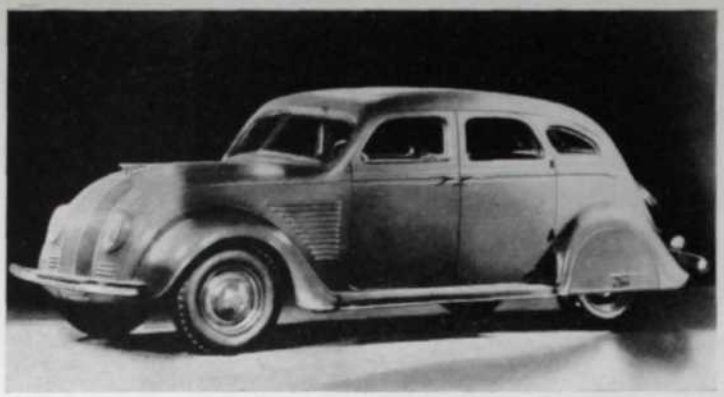
A new set of dies was created to make the longer and wider bodies of the 1934 Hudson line. Use of high chrome alloy to give longer engine life and a newly designed power transmission system are additional improvements



Even the oil truck has adopted streamlining, as witness this 1,500 gallon Diamond T tank truck just put in service. The engine is mounted in the rear and air control is used throughout



The Auburn line for 1934 is augmented by two entirely new cars—a Straight Eight and a six in the lower price bracket. The line features Dual-ratio on some models, correct streamlining, sound-proofing and selective ventilation



More than 100 different body designs were tested in the course of the five years of research which led to the introduction this year of the new De Soto which, because of its streamlining, is said to do 80 miles an hour with ease



The Hupmobile line for 1934 features aerodynamic body design. Every line and curve is said to have a definite purpose in persuading air pressure to push the car forward and hold it to the road

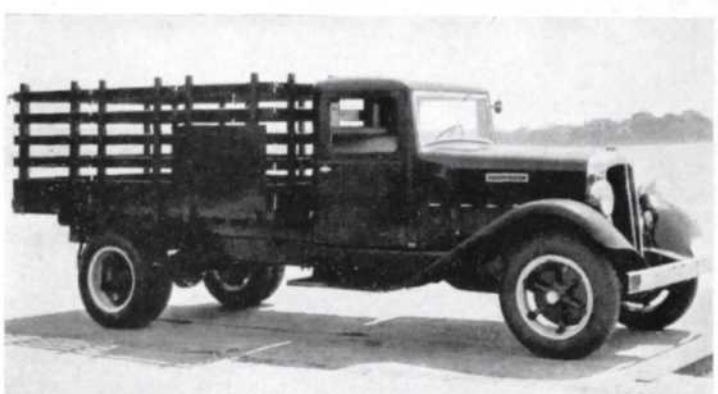


Its engine-under-the-seat construction not only gives this Autocar truck a modern appearance, it increases maneuverability and shortens wheel base which is important where laws limit length





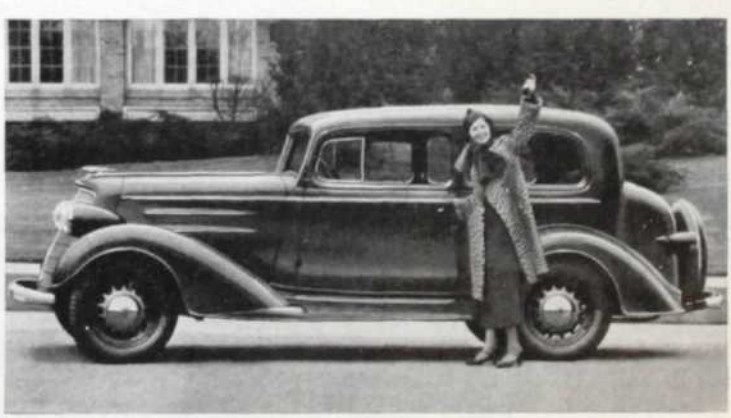
The Reo Speed Wagon, above, has been improved and the line unified. A "performance slide rule" permits the buyer to select a car suited to his purpose. The Graham line for 1934 offers three new cars—a custom eight with supercharged engine and standard eight and a new six



This one and a half ton truck is one of the most popular of the Federal line. It is adaptable to many body styles and to many types of hauling



The White Company, manufacturers of motor trucks and busses, have added a new line of low priced trucks of 8,000 to 11,000 pounds gross capacity. This is White's first appearance in the low price field



In addition to an improved straight eight, Oldsmobile offers a new low priced six. Both are identified by low-slung, windstream bodies, center-control steering and super-hydraulic, self-energizing brakes



Eddie Woods, Champion Cowboy, *says:*
"To have nerves that can take it, I smoke only Camels. I've tried them all but Camels are *my* smoke! They have a natural mildness, and I like their taste better. Camels do not jangle my nerves, even when I smoke one after another."

Mrs. Phyllis L. Potter,
Montclair, N. J., *says:*
"I don't doubt but what it takes healthy nerves to ride an outlaw horse! But any woman who is a home maker will agree with me that shopping, cooking, cleaning, washing, and tending to all the other duties of running a household are enough to jangle *anybody's* nerves. I know that I have to be careful in choosing *my* cigarettes. I am a confirmed Camel smoker because I can smoke Camels freely without a hint of jumpy nerves. And they are the *mildest* cigarette I ever smoked!"

Copyright, 1934, R. J. Reynolds Tobacco Company

How Are Your Nerves?

Fortunate indeed is that modern man or woman who does not get nervously upset. Raw, jangled nerves seem, all too often, to be the order of the day.

If *nerves* are your problem, we suggest a check-up now—on your eating, sleeping, and smoking. Get a fresh slant on your smoking by changing to Camels. Much is heard about the tobaccos used in various cigarettes. But this is a fact, as any impartial leaf-tobacco expert will tell you:

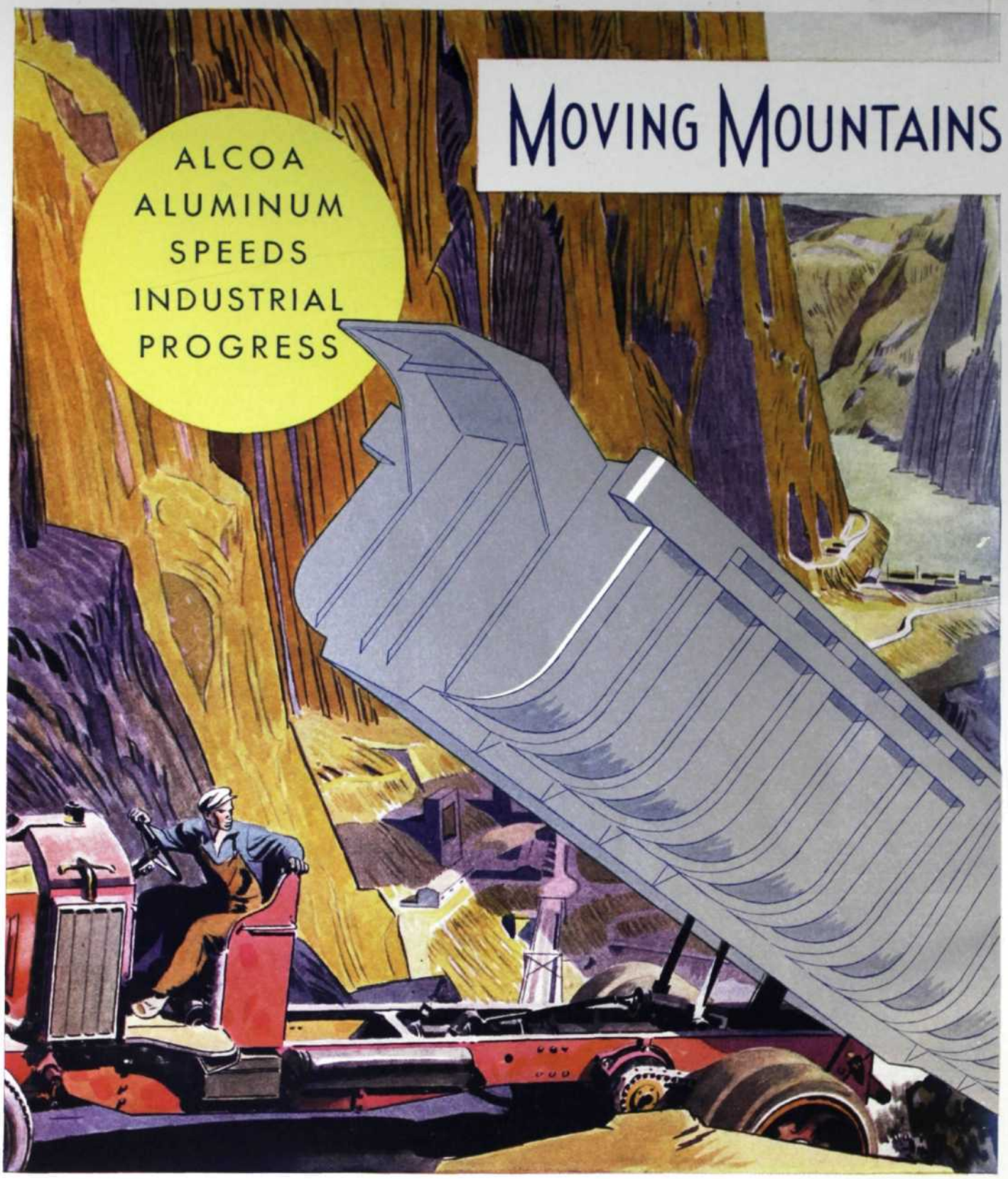
Camels are made from finer, MORE EXPENSIVE tobaccos than any other popular brand.

Everywhere you see Camels smoked more and more. People *do* care about mildness...about good taste...about their nerves. And Camels *never* get on your nerves...never tire your taste.



Camel's Costlier Tobaccos

NEVER GET ON YOUR NERVES . . NEVER TIRE YOUR TASTE



MODERNIZE WITH ALCOA ALUMINUM

Most versatile of metals, Alcoa Aluminum has been used to modernize hundreds of products. Our engineers have information on how Alcoa Aluminum can help to make your product perform better or sell faster.

SHEET
Hospital Equipment, 1, 4, 5
Mine Cars 1, 2, 3
Tote Boxes 1, 2, 3
Chemical Tanks 2, 4
Goggles 1, 5

FORGINGS
Golf Clubs 3, 5, 6
Garden Tools 1, 2, 3
Marine Engines 1, 3, 6, 7
Airplane Propellers 1, 2, 3
Gear Pullers 1, 2, 3

CASTINGS
License Plate Holders 1, 3, 5
Pyrometers 1, 3, 7
Pistons 1, 3, 7
Battery Terminals 2, 6, 8
Juice Extractors 1, 2, 3, 4, 5

TUBING
Pipe Coils 2, 4, 7
Hand Rails 1, 2, 3
Circus Cages 1, 2, 3, 6

ARCHITECTURAL
Electrical Conduit 2, 3, 6
Tread Plates 1, 2, 3
Cornices 1, 2, 5
Elevators 1, 3, 5, 6
Spandrels 1, 2, 5

STRUCTURAL
Drag Line Buckets 1, 2, 3, 6
Lift Trucks 1, 2, 3
Motor Truck Bodies 1, 2, 3, 5, 6
Railway Cars 1, 2, 3, 5, 6
Locomotive Parts 1, 3
Conveyor Equipment 1, 2, 3

FOIL AND PACKAGING
Milk Bottle Caps 4, 5
Food Packaging 1, 4, 5
Cosmetic Containers 1, 3, 4, 5
Foil Insulation 1, 2, 5

Reasons for using ALCOA Aluminum alloys in these applications

1. Light weight 2. Corrosion resistance 3. Strength 4. Non-contamination 5. Appearance 6. Economy 7. Heat conductivity 8. Electrical conductivity

at BOULDER DAM... 25 tons at a time



Catching 10-ton jagged rocks from a power-shovel dipper, hauling 25-ton loads up 25% grades — a dump truck with an ALCOA Aluminum body that dwarfs all others, is literally moving mountains at Boulder Dam.

The world's biggest dump body, carrying tons more load, yet weighing tons less than similar steel bodies . . . on the world's toughest job . . . *of course it's made of the light, strong alloys of ALCOA Aluminum!* Wherever modern progress makes new and greater demands on metals, men are turning to ALCOA Aluminum.

Somewhere there's new power, new efficiency, new sales appeal waiting for *your* company. ALCOA Aluminum is ready to help you find it. And that holds whether it's a new tube for tooth paste or a modern train for swifter transportation.

Here are alloys with the strength of structural steel, yet only 1/3 the weight. Alloys that resist corrosion; that are non-contaminating, non-magnetic, high in heat and electrical conductivity. Alloys, available for every purpose, in every form and size, from structural shapes to die, sand and permanent mold castings. From extruded shapes, forgings and plate to sheet, foil, tubing, etc., etc. Available even in the form of paint pigment (ALCOA Albron Powder) that brightens plants, guards against rust, weathering, smoke, acid fumes.

The light strong alloys of ALCOA Aluminum are looking for new and harder jobs — big and small. If your company has one, write ALUMINUM COMPANY *of* AMERICA; 1825 Gulf Building, PITTSBURGH, PENNSYLVANIA.

ALCOA ALUMINUM



In 1778 ship printing was a rarity but now a daily occurrence

One of the earliest ocean going printing presses was on the Languedoc, a French ship of the line that came to aid the American colonies in 1778. In Boston Harbor, October 28, 1778, the Languedoc's press printed a "Déclaration addressée, au nom du Roi, á tous anciens Francois de l'Amerique Septentrionale."

Today big ocean liners carry their own printing presses and print daily newspapers, menus, programs and notices.

The advancement in ship printing is no greater than improvements made in the printing qualities of paper since 1778. Consider Kleerfect, which combines in perfect balance the five qualities long sought in low cost paper by printers, publishers, and advertisers for fine printing.

Kleerfect is alike in color and surface on both sides. Wire marks are eliminated by special processing. Kleerfect has proper ink absorption, strength suited to modern high speed presses, color permitting precise color printing, and an opacity that prevents a showing through of even heavy solids. The surface of Kleerfect —The Perfect Printing Paper — is smooth, without glare and hence easy on the eyes.

This advertisement is not printed on Kleerfect but you really should look over printed samples of this unusual paper. Just address a request for them, on your letterhead, to our Advertising Department in Chicago.

NRA

Kleerfect

THE PERFECT PRINTING PAPER

CHICAGO
8 South Michigan Avenue
NEW YORK
122 East 42nd Street

Kimberly-Clark Corporation
ESTABLISHED 1872

NEENAH,
WISCONSIN, U. S. A.
LOS ANGELES
510 West Sixth Street

What's Ahead of the Utilities

By WILLIAM L. MUDGE, JR.

"IS IT a square deal?" this man asks after reviewing recent developments of the program which would put the Government more and more in competition with business

I DO NOT HOLD *with those who advocate government ownership or government operation of* all *utilities. As a broad general rule, the development of utilities should remain,* with certain exceptions *a function for private initiative and private capital.*

Franklin D. Roosevelt in "Looking Forward"

☆ THE words "all" and "with certain exceptions" were not stressed by the President, when his book was published, yet, as his Administration nears the end of its first year and the New Deal takes shape, they become of great significance.

Two developments stand out most prominently as "exceptions" to the rule of private ownership. One is the development with federal money of the Tennessee Valley Authority as a manufacturer and seller of electricity and the activity of the Government in such projects as the Columbia Basin and Boulder Dam developments. The second is the loans and grants by the Public Works Administration for municipal or state-owned plants. The bond issue voted by California for a state-owned irrigation and power system, the drive in St. Paul towards city ownership are significant instances. One may fairly ask if Mr. Roosevelt's "certain exceptions" are not becoming predominant.

The President's recent message to Congress proposes the extension to other watersheds in the nation of the principle on which the Tennessee Valley Authority has been developed. Such a grandiose national scheme embracing flood control, reforestation, reclamation of bad lands, and the encouragement of small local industries together with power development is claimed to return a better balanced national life. This plan can only be accomplished at a stupendous cost. The suggestion of a national plan recognizes no chance that the Tennessee experiment may result in failure. There is no semblance of a candid mind in the proposal.

The Tennessee Valley Authority contains probably the most far reaching threat to private ownership that has yet been set up in this country. It was launched with taxpayers' funds, it proposes to sell power at a price not profitable at the present rate of consumption and it is prepared to increase consumption to the point of profit by lending more government money to consumers for the purpose of buying electric appliances with which to increase consumption.

Here's the way it works:

The Authority is agreeing to sell electricity to Tupelo, Miss., a community of 6,000 inhabitants, according to a rate schedule which might earn a price of seven mills a kilowatt hour. In turn Tupelo will sell electricity at a maximum of three cents a kilowatt hour to its residents. The retail price is lower than private company rates now existing and can only earn the same amount of revenue as the former rates if the consumption of kilowatts by the small consumer is promptly increased about five times the present use, according to competent engineers.

It is always possible in business to stimulate consumption by low prices and with increased consumption so to lower costs as to make the low prices profitable. Private industry knows that. In the light and power business it has sought to increase consumption by lowering prices, by advertising, by installment selling of appliances, by improving service, all making possible lower prices.

The Authority has a means of stimulation of consumption available to no private company. It can, and did, turn to the Federal Government which organized the Electric Home and Farm Authority, Inc., designed to lend money on easy terms to those who wish to buy electric appliances. Manufacturers of such appliances have lent themselves to the plan and lower prices are promised.

Thus the circle is complete. The TVA, financed by government money, sells power at a low rate through municipalities to consumers who borrow from a federal corporation money with which to buy devices with which to increase their use of electricity in the hope that the price may be made profitable by increased consumption.

Some time ago there was prepared "A Tennessee Valley Authority Primer, being a Quizdex of the . . . work, aims and purposes of the Authority." In that primer were this question and answer:

Table A

Project	*Annual Energy Output Kw. Hr.*	*Total Cost*
Recently authorized—		
Grand Coulee Columbia River (Wash.)	3,600,000,000*	$ 62,200,000*
Bonneville Columbia River (Wash.-Ore.)	3,000,000,000	44,000,000
Casper-Alcova North Platte River (Wyo.)	150,000,000	22,700,000
Ft. Peck Reservoir Missouri River (Mont.)	1,800,000,000	31,000,000
Previously authorized—		
Boulder Dam Colorado River (Nev.-Ariz.)	4,330,000,000	165,000,000
Transmission Line		40,000,000
Muscle Shoals, Cove Creek, Dam No. 3 (Ala.-Tenn.)	3,000,000,000	89,850,000
	15,880,000,000	$454,750,000

*Ultimate development 6,600,000,000 Kw. Hrs. costing $186,000,000.

"What will be the basis for rate structures?"

"The encouragement principle, taking into account what customers can and will pay."

We are seeing the "encouragement principle" in action. What kind of a picture does it present for the taxpayer in Illinois and Massachusetts?

And what of the thousands who have money invested in the existing power companies in this southeastern district? Already they have seen their savings shrink at a rate far faster than any decline in value in like investments in other parts of the country. Perhaps the best they can hope is that the Government will buy their unprofitable divisions. Already the private companies in this region have agreed with TVA for a sale and exchange of properties.

While $90,000,000 or more are going into the Tennessee Valley, even greater millions are going into Boulder Dam and the Columbia Basin. The St. Lawrence River Waterway project, with a power plant costing $90,000,000 alone, is being urged. These four can produce a fourth of all the electric production of the country in 1932. And already Senator George W. Norris is clamoring for a Missouri River Valley Authority.

Table A on page 41 is the present authorized state of the federal program.

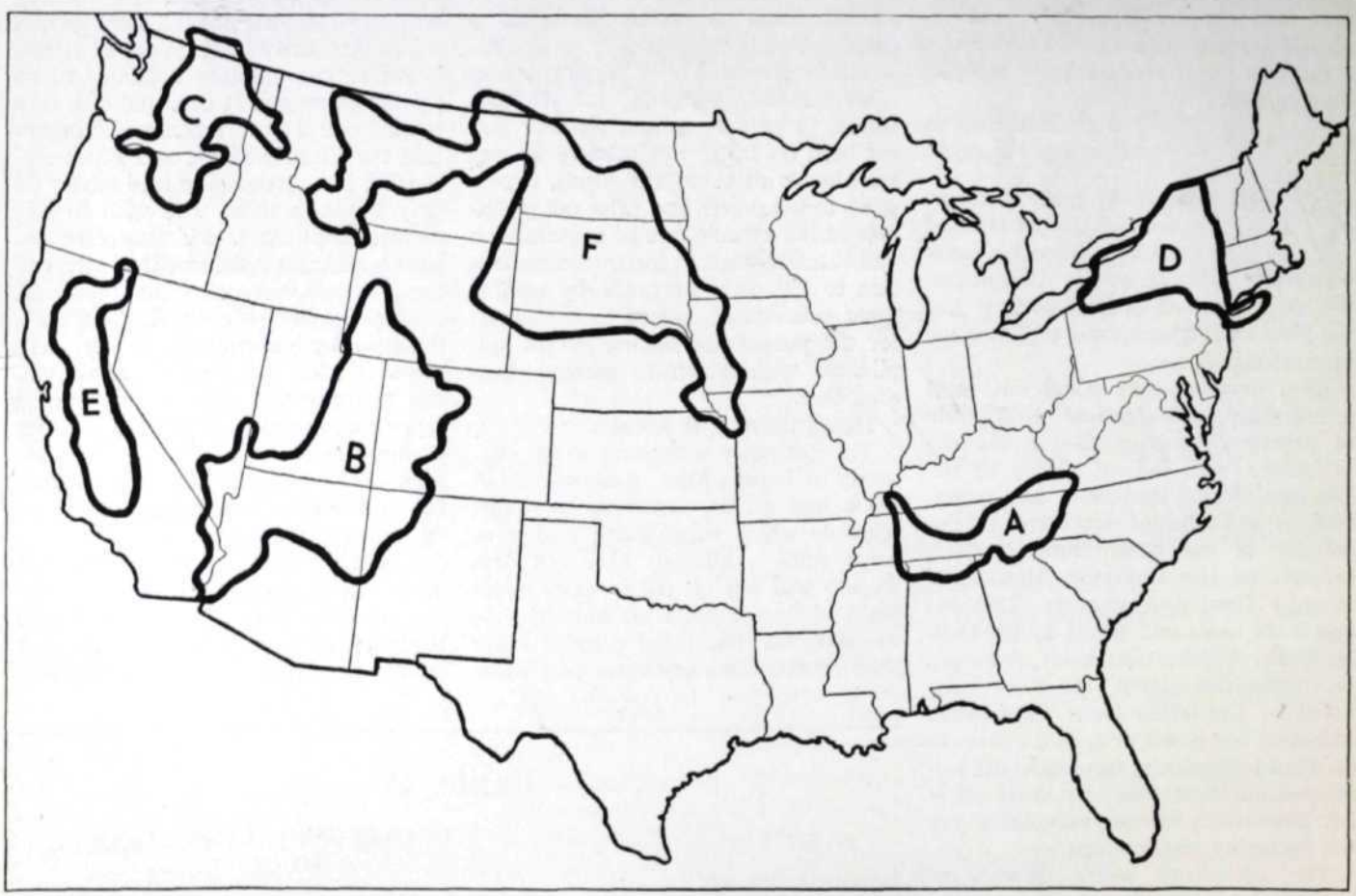
There is a curious paradox in this situation. The public utility industry, which weathered the depression better than any other large industry, did not ask the Government for financial assistance. Nevertheless, the Federal Government is setting up these experimental electric power systems, and is encouraging states and municipalities to install generating and distribution systems, all of which will compete against governmental regulated private systems already struggling against a reduced market.

In 1932 the electric industry paid $1.00 for taxes for every $1.50 of wages. In 1933 the estimated increase in taxes will reduce this ratio to $1.20 for wages for every dollar of taxes. Expressed in other terms, the electric customer paid to the company $9.00 for taxes in 1932, while it is estimated that in his 1933 bill $10.35 will be used for taxes. Picture an industry with its gross business reduced to the volume recorded in 1927-1928, and with its tax bill about one and one-half times that paid in 1929.

Senator Norris has said that the public utilities are mere tax collecting agencies. Yet the Government seems determined to destroy this source of income by competing against it.

But there is more in this drive for government ownership of power and light plants than merely the loss of revenue from taxation. There is the very definite invasion of business by Government, an invasion which may end in the extermination of the public utilities and the substitution of government-owned plants. This is, however, far off. Recent elections have not shown a definite tendency toward or away from municipal ownership. Yet no supporter of private enterprise can read the recent news from California and Minnesota without a feeling of alarm.

In California the voters authorized the issuance of $170,000,000 bonds by the state-controlled Central Valley Water Authority. This "authority" plans



Where the Government Projects Power Developments

A—Muscle Shoals. Under control of the Tennessee Valley Authority, created by Act of Congress.

B—Colorado River Development. Approved under the Boulder Dam Act. Secretary of Interior in control of all contracts.

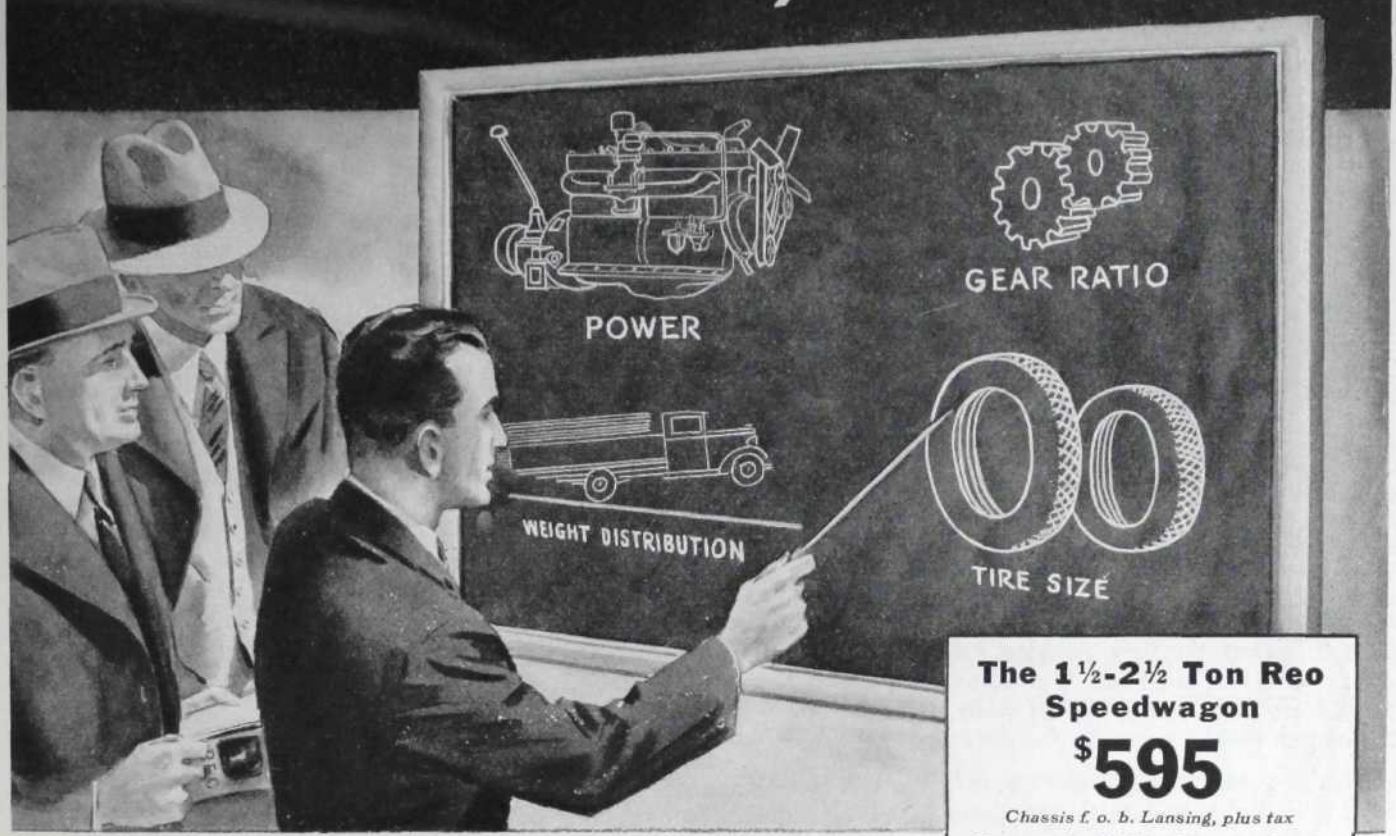
C—Columbia River Power Authority. Under consideration by Senators from the state of Washington.

D—New York Power Authority. Created by act of the state legislature. Development depends on approval of treaty with Canada already endorsed by President Roosevelt.

E—Central Valley Power and Irrigation Project. Approved by California voters, December 19, 1933. Federal authority has been suggested.

F—Missouri River Authority. Suggested by Senator Norris. Bill for survey pending.

If these factors are right
YOUR TRUCK COSTS
will be right!



● It takes a good buyer to see all the pitfalls in truck selection.

Many a truck that seems right on the basis of claims may be entirely wrong on the basis of facts.

Reo has put its whole building and selling program on a FACT basis.

To begin with, Reo trucks are properly built and properly *balanced.* Each unit is designed to do your job according to its true Ability Rating (a rating system exclusive with Reo).

There is no "doctoring" to make up for deficiencies. Power, gear ratio, load distribution, tire sizes—*all* the factors that mean everything to long life and low cost service—are *balanced* for maximum results. One feature is not emphasized at the expense of another.

Reo goes still farther. It trains its truck salesmen to analyze hauling problems accurately and intelligently; to omit claims and stick to facts; and to—

PROVE to the buyer with the copyrighted Reo Truck Performance Gauge that his recommendations are *correct.*

. . .

Reo Speedwagons and Trucks range from 1½ to 6 Tons. Price Range—$595-$2,595. 34 wheelbases, 6's-8's.

Tractor-Trailer units from 15,000 to 32,000 pounds, gross. All prices chassis f. o. b. Lansing, plus tax.

REO MOTOR CAR COMPANY
LANSING, MICHIGAN

The 1½-2½ Ton Reo Speedwagon

$595

Chassis f. o. b. Lansing, plus tax

Powered with the Famous 6-cyl. Reo Gold Crown Engine

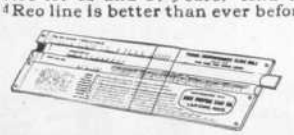
Check this great truck value against anything in the market. A real truck, with a real 6 cyl. truck engine and real truck parts throughout.

Reo trucks are *balanced* to give exceptional service in ALL phases of hauling.

BUILT RIGHT—Only a truck with a GOLD CROWN ENGINE—BIG FOUR-WHEEL INTERNAL EXPANDING HYDRAULIC BRAKES—BIG, THICK, WIDE-FLANGED FRAME—CORRECT TIRE EQUIPMENT—REO LONG LIFE AND ECONOMY can be expected to stand the usage and deliver the miles you get from a Reo.

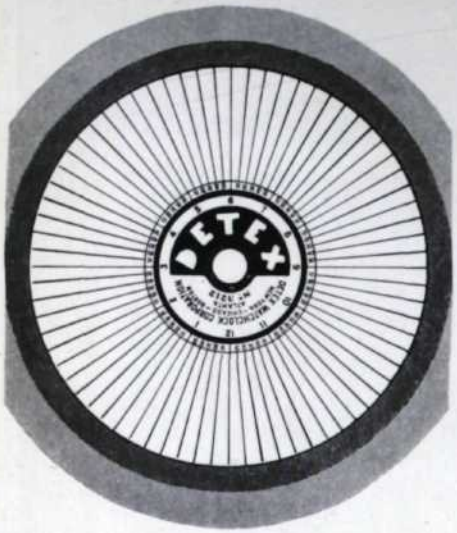
SOLD RIGHT—Reo salesmen are trained to confine themselves to facts—facts as disclosed by the Performance Gauge and the Reo system of Ability Rating.

AND THEY LAST—There are Reo Trucks in operation today that have seen steady service for 12 and 14 years. And the 1934 Reo line is better than ever before!



WRITE REO—or call in the Reo dealer. The Performance Gauge check-up will be applied to your problem without any obligation at all.

WATCH *these fundamentals* of Watchclock Service



Many plans have been put into effect and many changes have been made in the tours of duty of watchmen under the changed conditions of the past few years.

Any system that works is a good one, but be sure that nothing is done in your plant to defeat the very purpose for which watchmen are hired, that is, to protect the plant and its values while it is closed.

Be also sure that adequate equipment is available to furnish complete and unalterable proof that this service is performed.

The Detex Watchclock Corporation is offering today the utmost value in watchmen's clocks—an experience now extending back 60 years, and covering today, 80,000 clocks in active use in 50,000 plants.

● Look for the nearest Detex Dealer in the classified section of your local telephone directory under "Watchmen's Time Clocks." Representatives are located in all principal cities. Complete information on request. Approved by the Underwriters' Laboratories, Inc., and the Factory Mutuals Laboratory.

DETEX WATCHCLOCK CORPORATION

4153 Ravenswood Ave., Chicago, Ill. 29 Beach St., Boston
80 Varick St., N.Y. Room 800, 116 Marietta St., Atlanta

NB-2

DETEX

WATCHMEN'S CLOCKS

NEWMAN ★ ECO ★ ALERT ★ PATROL

When writing please mention Nation's Business

a great irrigation project, but coupled with it is a plan to produce annually 450,000 horsepower in a district already well supplied with electricity by the Pacific Gas & Electric Company. The power will be produced within 200 miles of San Francisco, whence Pacific Gas draws most of its revenue. What faces the privately owned company? Either a competition which it cannot meet or absorption by a state-owned corporation. Yet Pacific Gas has always been considered a well managed company in which thousands of individuals and institutions have invested their money. Are they going to get a square deal or just a new deal?

The whole country involved

AND again the whole body of citizens of the United States are concerned, for there is no likelihood that the state of California can or will absorb these millions of bonds. The Federal Government through one or another agency is marked out as the buyer. If the California Authority pays interest and principal of these bonds, can it do it except at the expense of the investors in existing power companies? If it fails to pay, can it succeed except at the expense of the taxpayers of the United States?

In Minnesota, the citizens of St. Paul are being asked to vote a $28,000,000 bond issue to establish a municipal gas and electric plant. Again the idea is to sell the bonds to the Government, and again the question arises of the prospects of investors in Northern States Power Company.

What is the attitude of the Federal Government as represented by the Federal Emergency Administration of Public Works toward these investments of taxpayers' money in competing public utilities? Here is part of a letter from Public Works Administrator, Harold Ickes, to the State Engineer of the Public Works Administration in Missouri:

> While it is not the function of the Public Works Administration or of the State Advisory Boards to force federal funds upon unwilling borrowers, I feel that we owe a duty to the people, to explain where the real responsibility rests and to advise them that the applications of municipalities desiring to construct utilities will receive every consideration from the Public Works Administration if their legislative representatives will enact the legislation necessary to enable such municipalities to issue revenue bonds.

Certainly there is here no spirit of opposition to the Government going into business. Moreover, there is an apparent willingness to break up private utility systems so that the profitable districts will no longer support the suburban and rural territory. The dismembering of the city area from outlying sections disregards the economic interdependence of the two districts.

The invasion of the Federal Government in these projects is not only into the field of power and light production, it takes the Government into banking and in a new and dangerous way. Smith, a taxpayer, is not asked to invest his money in a new business competing with a plant already existing; he is *compelled* to. There is much significance in the fact that a great many of the cities to which the Government is considering a loan of federal money or federal credit for electric plants and transmission lines are in a serious financial condition.

It is a commanding question whether the Federal Government should sink its money in local situations which cannot qualify under ordinary credit standards. Furthermore, the absurd use of governmental funds to compete with private companies threatens the safety of insurance policyholders, depositors in savings banks, welfare societies, and trust funds for widows and children, because electric company securities constitute important holdings by all these groups.

The tremendous sums required by the Public Works Administration and the Reconstruction Finance Corporation are, of course, being financed by the sale of government bonds and notes. Where is the money for such investments? Certainly our banking system, already heavily invested in government bonds, is not going to continue indefinitely to finance an unbalanced governmental budget. If our banking system is to be made the dumping ground for such extravagant financing, our monetary and credit system is placed in further jeopardy.

The alternative is for the Government to finance itself by the issuance of greenbacks as provided in the Thomas Amendment. Either financial procedure might easily cause serious consequences if the governmental measures are carried to their logical conclusion.

"It is a condition which confronts us—not a theory" wrote Grover Cleveland in a message to the Congress nearly 50 years ago. It is a condition which confronts the American public now. President Roosevelt's message to the Congress made it plain that the TVA experiment was one that he hoped to see extended to other sections of the United States.

This article began with a quotation from the President of the United States. It seems appropriate to close it with a quotation from the Chairman of the Tennessee Valley Authority:

> For the moment public ownership on a large scale seems about to have its chance. Whether that chance will be so used as to usher in a new day in our economic life, or whether it will result in a morass of incompetence, and so bring about disgust and revulsion, such as that which immediately preceded Fascism in Italy, remains to be seen. Scattering cases of good management will not suffice. The public will judge by average results. There is no assurance from on high that public ownership will bring honest and economical administration.

FORD V·8 TRUCK PRICES REDUCED

New lower first cost has now been added to low cost of operation and low cost of maintenance

NOW for the first time an 8-cylinder, 75 horsepower truck is available for as little as $500. The Ford V-8. The truck that has proved itself in actual service—proved its power, speed, stamina and economy.

Economy of operation and up-keep is one of the outstanding features of the Ford V-8 engine. Most "8's" have been big engines, designed for use in heavy, expensive units. But the Ford V-8—compact, simple, easily and inexpensively serviced—has shown that high power can be had at very small cost. The records of thousands of owners establish remarkably low figures not only for gasoline and oil consumption but for service and repairs. It is the most economical Ford engine ever built.

The new low prices add another important economy factor. Today, more than ever, the Ford V-8 is the logical truck to help your business show a profit. The nearest Ford dealer is ready to help you select the Ford unit best suited to your business.

V-8 TRUCK
131½" WHEELBASE

	NEW LOW PRICE	REDUCTION
Chassis	$500	$36
Stake	665	36
Platform	650	26
Std. Panel	750	26
De Luxe Panel	780	31

V-8 TRUCK
157" WHEELBASE

	NEW LOW PRICE	REDUCTION
Chassis	$520	$46
Stake	730	36
Platform	690	36
Std. Panel	860	36

V-8 COMMERCIAL CAR
112" WHEELBASE

	NEW LOW PRICE	REDUCTION
Chassis	$360	$10
Pick-up	470	10
Std. Panel	550	10
De Luxe Panel	565	15
Sed. Delivery	565	5

Prices f. o. b. Detroit. Front bumper now included as standard equipment on 131½" and 157" wheelbase

FORD MOTOR COMPANY

Ford

When visiting a Ford dealer please mention Nation's Business



Insure
against shipping damage
with Kimpak
CREPE WADDING

The American Air Filter Company, Inc., of Louisville, Kentucky, use KIMPAK to protect their product, the Airgard Electric Ventilator, from shipping damage. The Ventilator is packed in a wire-bound box with all corner posts, contact points and the top hold-down strip well padded with KIMPAK. The package of folded Airgard Filter Sheets, shown on the top of the Airgard, are placed at the front of the box to prevent damage to the front of the machine.

Protect your products economically against mars, scratches or rubbing by the use of KIMPAK, the most adequate insurance against shipping damage.

KIMPAK is a soft, resilient, fluffy crepe wadding, free of dirt, grit and foreign substance. It comes in rolls, sheets or pads, in various thicknesses—plain or backed with Kraft (smooth, creped or waxed).

Write for a free sample of KIMPAK.

KIMBERLY-CLARK CORPORATION

Chicago, 8 So. Michigan Ave. *Neenah, Wis., U. S. A.*
New York *Los Angeles*
122 E. 42nd Street *510 W. Sixth Street*

It strengthens the organization

GROUP
LIFE
INSURANCE

Employers are invited to ask for details of our latest plans. No obligation.



THE PRUDENTIAL
INSURANCE COMPANY
OF AMERICA

EDWARD D. DUFFIELD, President
HOME OFFICE, NEWARK, N. J.

Sharing Confidences with Employees

By FRED B. BARTON

THE employee has only one question to ask about financial statements, inflation, codes. He wants to know, "How does this affect me?" President Litchfield of Goodyear has found a way to answer him

WHEN Carlyle called economics the dismal science, he didn't say the half of it. How do you suppose a man in a factory job looks on a world gone almost topsy-turvy? His bank account is frozen; his cousin Bill lost his home through a foreclosure; his neighbor is taking a son out of college; his own pay is less than it used to be. Is anything worth while any more?

Knowing how worry and self-pity and an overdose of forecasting can paralyse effort and distress the mind, one company executive has gone direct to his employees. He is P. W. Litchfield, president of the Goodyear Tire & Rubber Co. Once a week on an indeterminate schedule he broadcasts over WADC, the Akron unit of the Columbia chain.

In the days when Mr. Litchfield was factory manager and Goodyear had only a few employees, he could dissolve worries by his personal presence and conversation. But you can't talk personally to 18,000 employees. You can't even know them by name.

Mr. Litchfield has always tried to think things out from the employee's point of view. That is why on Monday evening, just at supper time, the president of Goodyear motors eight miles to Tallmadge, Ohio, and speaks into a microphone. And some or all of the 18,000 employees of Goodyear in Akron will tune in on a 15 minute talk directed expressly to them.

"For several months we have been witnessing a bewildering procession of events," they will hear a strong, quiet voice saying. "Heroic measures have been called for. That is why I have found myself accepting, yes, supporting various moves which have placed unprecedented power in the hands of the administrative arm of government."

Then he goes on to explain a horde of changes in our social economy.

The working man has a grievance, Mr. Litchfield feels. "The two classes hardest hit have been the farmer and the unemployed industrial worker," he said over the air. He cannot promise factory workers immediate relief. Rather, he states facts, giving the workers an insight into problems they otherwise can only half understand.

He talks to them candidly about financial matters, explaining that the drop in the dollar means paying rubber workers in Sumatra $1.50 for every $1 due them, due to a rise in the price of Dutch guilders. Surprisingly enough, this same drop in exchange shows the company a profit, since the value of warehouses and properties owned abroad went up. Goodyear was thus able to take back $1,300,000 from the reserves previously set up to take care



P. W. Litchfield

of these write-downs, Litchfield explains. This figure alone changed an operating loss of $738,000 to a profit for the year of $561,000.

"With such earnings, there can be no dividends on the common stock," he admits. "There will, indeed, be only a two per cent preferred dividend this year instead of the usual seven per cent, the balance accumulating as a charge against future earnings."

Nobody ever discusses financial matters like that. No one has ever tried to make a stockholders' report seem reasonable. Mr. Litchfield does.

"The formal financial statement of a corporation of Goodyear's magnitude," he says, to get his audience's attention, "is told in cold figures, but, just the same, it is the story of men working, machines humming, brain power functioning. It is the story of nations, corporations and individuals in the grasp of powerful economic forces. It is an epic of production, sales and finance. With such financial statements, modern industry tabulates human progress."

No propaganda, that. Rather, a warm-hearted appreciation of the fact that you in a factory workman's pair of overalls helped in an important way to make this company show a profit last year.

Explaining the plans

THERE can be little definite forecasting. Yet every man must make plans.

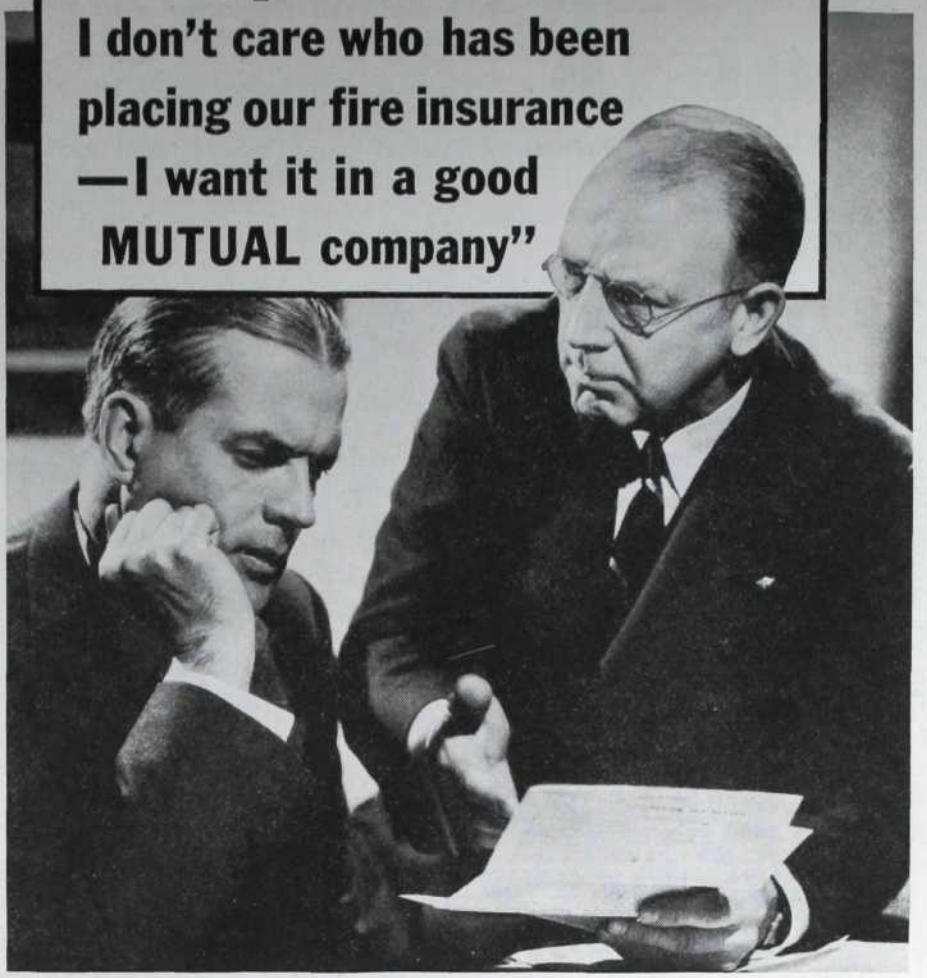
"If I could give you definite information concerning the course of our business for, say, the next year, the personal planning you must do would be made considerably easier," Mr. Litchfield says. So once a month he attempts to look ahead for the company and its workmen. Always he dissolves worry by explaining the purpose of what's going on. These explanations are not technical or foreign; rather they are local. Regardless of what happens in Washington or London or Rome, the average man's big question is, "What does this mean to me and to my job?"

There are other things to explain. Goodyear's employment policy, for example. Men older than 45 are rarely hired. He tells why. The company must save its easy jobs for men already in its employ who are growing old.

He talks about factory hours. In 1930, Goodyear made some experiments, the company management working jointly with factory representatives to find a solution mutually acceptable. First staggered employment was tried, three weeks working and one week idle. The Goodyear Industrial Assembly recommended a six-hour day as being fairer to the men, and Goodyear adopted this in October, 1930. Today this fits in with NRA plans.

"When the time comes, and it inevitably will, when we must curtail

"Keep costs down— I don't care who has been placing our fire insurance —I want it in a good MUTUAL company"



THOUSANDS of property owners have come to a decision like this in the past couple of years. And with good reason. Taxes have defied the old law of "what goes up must come down." Rents have been definitely lower. A situation that demands economies.

Mutual fire insurance has proved one definite economy that property owners could count on.

Year after year property owners, mutually insured, have saved a considerable part of the premium. This saving has been made possible by the care used by *mutual* companies in selection of risks; by their effective work in the prevention of fire.

The *mutual* plan of fire insurance dates back in a direct line to 1752. The original company founded that year operates successfully today. Thirty other companies are over a century old. Over 37 billion dollars worth of property is protected against fire in *mutual* companies.

Selected Leaders

Seventy-two leading organizations comprise The Federation of Mutual Fire Insurance Companies. These companies are qualified to offer any property owner, large or small, sound protection at the lowest cost. Assets of Federation companies total over 97 million dollars . . . savings to policyholders in the past ten years in excess of 125 million. A list of these companies will be sent on request with a brief, interesting outline of their methods of operation. Every property owner should have this information. No obligation is involved. Write for it today.

This Seal Means Safety

This Seal identifies a member company of The Federation of Mutual Fire Insurance Companies and The American Mutual Alliance. It is a symbol of soundness and stability.

MUTUAL FIRE INSURANCE

An American Institution

NBF

WRITE FOR THIS BOOKLET

Federation of Mutual Fire Insurance Companies, 230 North Michigan Ave., Chicago, Ill.

Kindly send me your booklet explaining the Mutual Plan of Insurance and giving names of Federation companies.

Name _____

Street _____

City _____

When writing to Federation of Mutual Fire Insurance Companies *please mention Nation's Business*

ABSORBS SOUND

even after repeated paintings

OFFICE QUIET MADE PERMANENT WITH ACOUSTI-CELOTEX

Distracting noise and clatter of any office, new or old, can be easily and quickly subdued by applying an effective sound absorbent to walls and ceiling.

The big point to consider is: After repeated painting (for office buildings generally last 40 to 50 years) will sound still be absorbed?

If the material is Acousti-Celotex you may paint as often as need be. It never loses its sound absorbing quality because of its patented features.

Modern Units

Comes in Modern Units, giving complete freedom to decorator—may be applied directly to existing walls and ceilings—is *Permanent.*

Installed in more than 6,000 offices, banking chambers, churches, theaters, hospitals, auditoriums. Sold and installed by Acousti-Celotex Contracting Engineers.

THE CELOTEX COMPANY
CHICAGO ILLINOIS



Lends beauty to any interior. Note Acousti-Celotex ceiling design in Mr. Prisk's office, Press Telegram, Long Beach, California, Wm. Horace Austin, Architect.

PAINTABLE PERMANENT
ACOUSTI-CELOTEX

When writing please mention Nation's Business

production, we will drop from a six-day week to a five-day week," says Litchfield frankly.

The talks are kept intimate but not first-personal. But in paying tribute to former men who helped to build up Goodyear and to the seven who were there when Litchfield joined Goodyear in 1900 and still are there, it was natural to say a word about himself. How he looked so youthful that a visitor to the factory superintendent's office said, "Oh, quit your kidding, boy, and go find your boss." Then he gave his messages a personal appeal by saying frankly, "I do not fit in the class known as 'Captains of Industry,' because I do not financially control the industry of which I am the nominal head. I have to qualify for this job in the same manner that each of you qualifies for yours."

That's a new way for a company executive to bid for cooperation and sympathy.

Mr. Litchfield is giving little advice. His talks are informative, not paternalistic. He makes some announcements, such as the fact that vacations for piecework workers have been restored through the improvement of business. He does some explaining, realizing that soap-box orators take half-truths and distort them.

Goodyear has had no labor troubles for 20 years, and it hopes never to have any. But Mr. Litchfield realizes that employees' minds are a garden producing happy results only if cultivated.

In this way, Mr. Litchfield cuts a path through uncertainty and misunderstanding and gloom. The air is full of undigested economics. No man knows which way to turn. We can't look ahead. Worry is rife. Clearly and manfully he voices this message:

"Everything is all right. We are working for your interests, you employees. All you need to do is to continue working for ours."

Ring off Old Bells

By BEN McBRIDE

THERE'S something that may surprise all those people who are so concerned about relief for the unemployed. Possibly it may help the unemployed, themselves. Thousands of salesmen and office men who are looking for jobs could be working now if they would stop ringing the bells of their past successes. Employers are tired and disgusted with the everlasting clanging of those bells.

How do I know? Because my business is personnel and employment. For years I have served nationally known firms as well as the smaller businesses. This work enables me to see the employment situation as a whole.

I talk with hundreds of employers and I hear their side. Employers are interested in the applicant's past history, of course, but only so far as that experience fits him for the position they have to offer. They want to know how the applicant met emergencies, what initiative he has, his honesty, how he applied himself in general. They want to be thoroughly convinced that he really wants to work. They are not interested in his past glories or in the big salaries he has made. Particularly an applicant for a position should not talk about the high salaries he has drawn. The more he talks, the more certain the employer becomes that he will not be satisfied with the salary that his firm can pay now.

In my business of interviewing men out of work, I find only too rarely where the really high class executive, salesman or accountant has come to a realization of present conditions. A majority of formerly successful men are apparently living in the glory of the past.

Day after day we see it. Capable men, still looking for work, desperate now, some of them, yet, at the same time, firms are calling us to help them locate men who are big enough to readjust themselves to present conditions, men who will face these new business problems with level-headed initiative. These calls for help from firms are becoming more and more numerous as business conditions improve.

The men who will forget their past glories and work with these firms have before them one of the biggest opportunities in history. And how many men will forget, and stop clanging their bells? You read this, and say, "I will."

We doubt it. Too many men have sat in our offices and made just that very promise—and in less than an hour have gone out and talked themselves out of their opportunity to go to work.

Just a few days ago, a salesman (we'll call him Marshall) came to see us. He had been with a food products manufacturer. Before the depression he had had work, making from $250 to $300 salary, plus a yearly bonus. Thirty-five years old, university man, pleasing personality, a good man, on his way up when the depression hit him.

As we talked to him we could see that he knew he was good. That's all right. A man must have confidence.

We had an order from a nationally known food products manufacturer for

a salesman. When we told Marshall about the job, he was all knowing, and started to tell how much bigger jobs he had held.

The temptation to do this is understandable.

The average $300 man who goes after a $125 job is usually desperately in need. Pride makes him defend himself. The more humiliated he is, the louder he rings the bells on the $300 he has made.

We warned Marshall of this. He said he understood and all he asked was a chance to talk to the employer. He outlined an original sales plan for this particular product. We passed his ideas on to the employer, and the employer was pleased. If he liked Marshall after talking to him, he was hired.

Marshall got along fine in his first interview. The employer phoned us that he was as good as hired; however, he was having one more interview with him the next day and at that interview Marshall talked himself right out of the job. All the old bells he had suppressed on the first interview, he clanged on the second. The employer dismissed him and phoned us to send another man.

Marshall needed that position. He hasn't worked for nearly a year. He has a wife and two small children and is about to lose his home. He's a fine fellow but he will not learn to silence his bells.

Marshall is only one out of thousands. Yet we must sympathize with these men. It takes a big man to cut his salary to half after years of real accomplishments.

To make matters worse, sometimes the men to whom they make application are not fitted to be their superiors. Occasionally they are younger men who, privately, are afraid of losing their jobs. Because they are afraid that the applicant knows more than they do, it is all the more important that the man looking for work does not talk too much about what he has done. This is not true often, of course.

Men who continue to hold the employers' position must be real men. But if Marshall can learn to do his part, it will not matter to whom he makes application, he will succeed. Every day men are proving it.

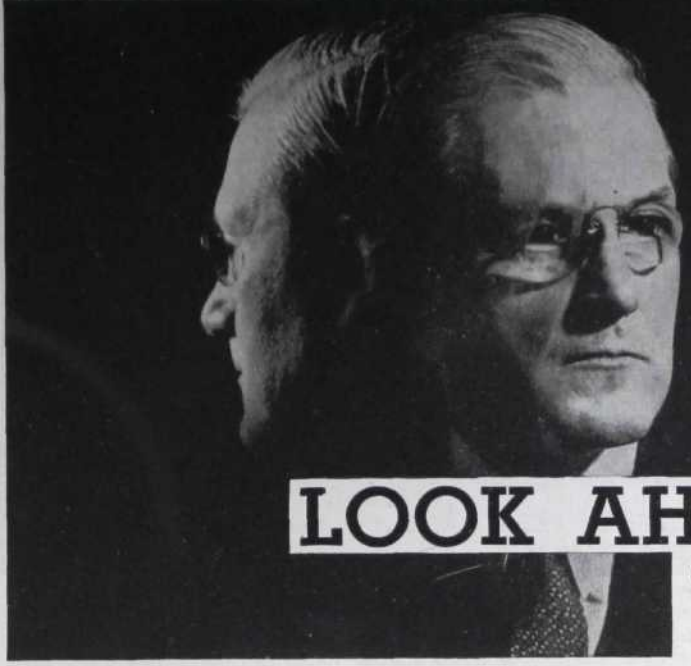
The man who got the job that Marshall lost (we'll call him Mr. Smith) did not ring a single bell on his past. He concentrated on getting the job.

It was ten o'clock in the morning when we called Smith into our office and told him about the opening with this food products firm. Smith had already failed to get one position because he talked too much about his past success.

"I've learned my lesson," he said. "I'll get this job."

We made Smith's appointment with

1920 LOOK BACK AND LOOK AHEAD 1934-



when you're buying automatic liquor bottling equipment

Look back at the experience of pharmaceutical houses during the last fourteen years. While distilleries were idle, they were meeting the problem of rapidly changing styles in containers. They experienced the need for bottling machinery of great flexibility and adaptability that would handle many shapes and sizes of containers equally well. They met their need with Pneumatic machines.

Look ahead—are you certain what your future needs will be? You want to be sure, most of all, that the bottling equipment you buy today will meet the needs of tomorrow . . . With an investment of such size involved, this is one of the most important considerations. It is also one of the most outstanding advantages of Pneumatic equipment.

Pneumatic machines handle a variety of sizes and shapes of bottles; can be adapted, more readily than any other type, to changes in your containers and production. The complete unit vacuum cleans, fills, and caps bottles, in one continuous operation, at speeds of from 60 to 120 per minute.

Write for the booklet: "John Barleycorn's Past and Future"—an interesting comparison of new methods and old, and a complete story of Pneumatic bottling equipment.

Pneumatic Scale Corporation, Ltd. 67 Newport Ave. Quincy, Mass.
(Norfolk Downs Station)

Branch Offices in New York, 117 Liberty Street; Chicago, 360 North Michigan Ave. San Francisco, 320 Market Street; Melbourne, Victoria; Sydney, N. S. W. and Trafalgar House, No. 12 Whitehall, London, England

PNEUMATIC SCALE
BOTTLING MACHINERY

When writing to PNEUMATIC SCALE CORPORATION *please mention Nation's Business*



ONLY your stenographer knows what a time-consuming job it is to constantly interleave and remove carbons in form work.

That time is expensive. If you pay $20.00 a week, the interleaving and removing of carbons costs almost $7.00 for every thousand sets of six-part forms.

The Egry Speed-Feed saves all this by automatically interleaving and withdrawing carbons. Keeps all forms in perfect registration. Adaptable to any correspondence typewriter and to typewriter billing machines. Snaps on or off in an instant. Uses Egry continuous forms and eliminates the high expense of pre-inserted (one-time) carbons. All the time of the typewriter operator is productive time.

Practically the only cost of the Egry Speed-Feed is the cost of the forms. Mail the coupon, without obligation, for convincing demonstration in your own office.

THE EGRY REGISTER COMPANY
Dayton, Ohio
Sales Offices in all principal cities

Manufacturers of Egry Speed-Feed Systems, Typewriter and Billing Machine Attachments and Printed Business Forms.

Limited territory available for high type sales agents. Write for details.



EGRY
SPEED-FEED

THE EGRY REGISTER COMPANY 342-NB
Dayton, Ohio.

GENTLEMEN: — Your Speed-Feed sounds interesting. Tell me more about it.

Name.....

Address.....

City..... State.....

When writing please mention Nation's Business

the food products firm for two o'clock that afternoon.

Smith went home, talked with his wife about the products put out by the firm to which he was making application. He asked how she used them and what she thought of them. Then he went out and bought a package of each of these products, took them home and studied them—learned how they were made, merchandised and sold.

When he had his interview he surprised the employer with his knowledge of the products. Instead of gloating over what he had done, he inspired the employer on his products and what he could do for him.

Once the employer hesitated, evidently remembering Marshall.

"We might make a place for you as a junior salesman, but you wouldn't want that. The salary wouldn't be——"

Smith did not wait for him to finish.

"I'll take it. I'll take anything to get started with your firm—a truck selling job or anything."

Not one word about what he had done, the $300 he had made.

Smith came back to our office late that afternoon to report that he had the position with the food products firm. But the employer had been ahead of Smith with the news. A half hour before Smith reached our office, the employer had phoned to tell us how much he liked Smith and to ask where we had found him. He wanted to know if we had any more men like him. There was no comparison between the two men—Smith and Marshall. Smith's sales plan was a whiz, the employer said.

The funny thing about it was that Marshall's sales plan had even greater possibilities than Smith's, as we see them now, but while Smith had been busy selling his sales ideas on food products, Marshall had been busy ringing the bells on his past accomplishments.

Marshall had another advantage over Smith. He knew this particular line of food products. Smith didn't. But that didn't discourage him. Instead of gloating over what he had done, he inspired the employer on his products and what he could do for him.

It was not necessary for Smith to say anything about his past. The employer had from us a complete record covering eight years. Smith's salaries, bonuses, territories. He had proof from Smith's former employers in the reference inquiries we had sent him. We had also supplied the same records on Marshall.

This case with the food products firm is only one out of hundreds. Employers tell us that 75 per cent of the men they interview for positions are "have beens." No man can get a job under the halo of his past accomplishments.

But the men who will forget their achievements in 1927 and '28 and remember that this is 1934 have before them one of the biggest opportunities in history.

ON page 42 is a map which may surprise you. It shows the areas where Government-controlled power plants are projected or in operation. If you own insurance policies or utilities stocks you will be more than casually interested in the article by W. L. Mudge, Jr., which shows some phases of this power policy

The Auto Industry Fights Back

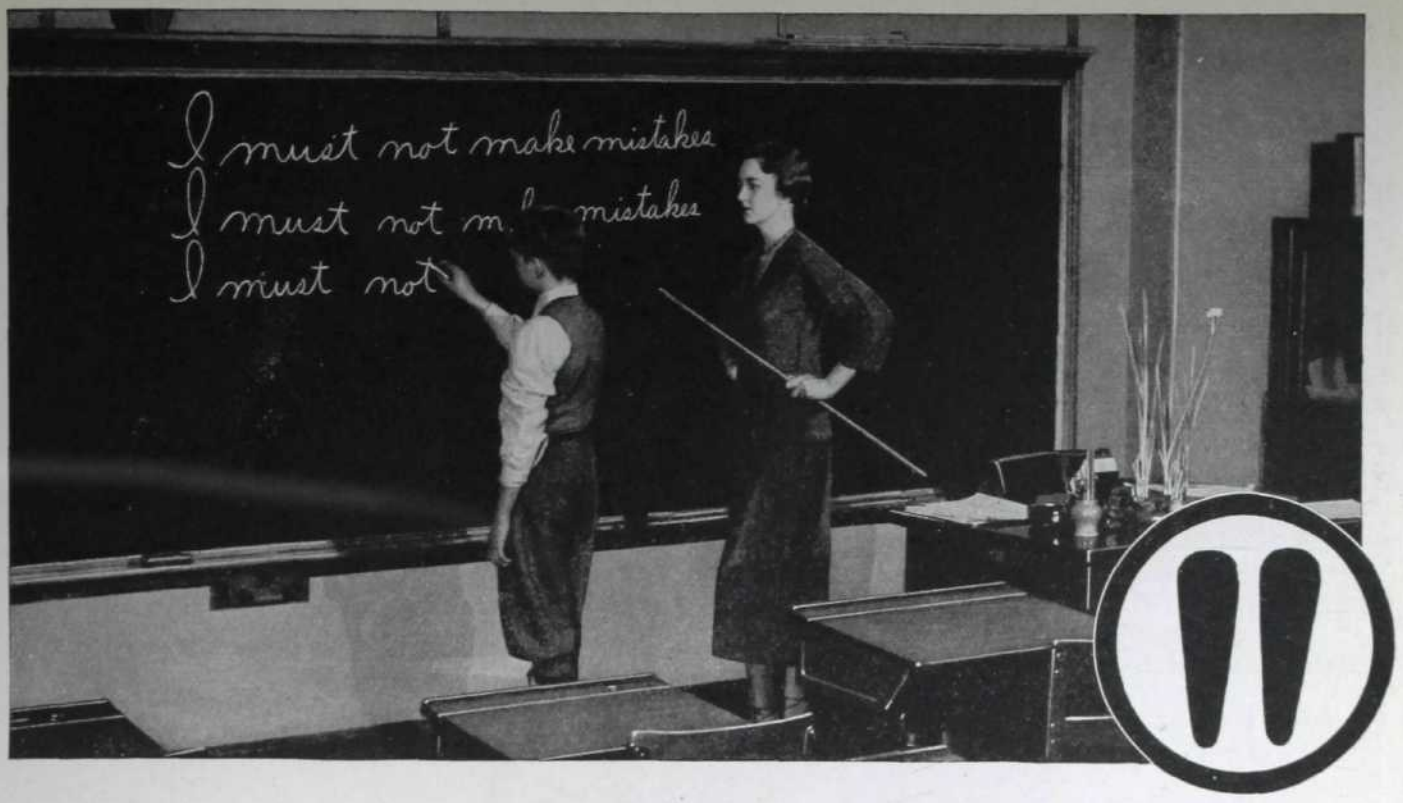
(Continued from page 32)

importance to them all. It has wanted swarms of light and inexpensive cars and got them. It has wanted heavier, roomier cars of medium price range and got them. It has wanted cars of unsurpassed beauty and performance and got them, too.

Today, one large company has sent out a questionnaire in illustrated booklet form to a million motor car owners in the United States asking them for their ideas, not only as to the kind of cars they would like and how they would like to have them equipped, but how much they would be willing to pay for such cars. In other words, this company is not trying to make people buy the products it produces. It is trying to produce the kind of car that people want to buy.

That, I think, is the spirit of the whole industry, a spirit which has seen depression as a challenge rather than a blight.

"Sometimes," Charles F. Kettering, of General Motors, told me, "it's a good thing for the old slide rule to stick."



ARE YOU PUNISHING YOUR BUSINESS

WITH UNNECESSARY REWRITING?

BACK in the old red brick schoolhouse days, there may have been cause and perhaps even good effects from rewriting some statement designed to impress a certain fact on your mind.

In business, rewriting is time-consuming, error-producing, wasted motion, which profits no one —not even the clerk who is paid to do it.

To eliminate rewriting and the resulting errors and wasted effort is the function of Ditto—*The One-Writing Method.*

Ditto makes copies direct from pencil, pen and ink, typewriter, bookkeeping machine, adding machine, tabulating machine or teletype machine *originals.* There is no stencil, no carbon, no type.

This basic principle of Ditto is widely adapted to business problems today. On order and billing work alone Ditto saves thousands of dollars for manufacturers, both large and small. Every form needed to complete the course of an order thru your business can be reproduced on Ditto from one writing—including labels, tags, shop tickets and bills of lading. Any weight of paper stock can be used; all copies are clean-cut, bright and photographically accurate.

In the Sales Department Ditto solves the problem of keeping in constant touch with your salesmen. Sales bulletins, price sheets, quotas, comparative reports and scores of other records and forms are produced on short notice. In the Accounting Department it speeds up the reproduction of accounting statements, budgets, reports to directors—in fact, any statements of which more than one copy is required.

Just how Ditto can be used in practically every department of your business is interestingly described in our new booklet, "Cutting Costs with Copies". Send for a copy today. There's no cost or obligation.

Ditto

INCORPORATED

2243 WEST HARRISON STREET

CHICAGO, ILLINOIS



DITTO INCORPORATED NB 2-34

2243 West Harrison Street, Chicago, Illinois

☐ Please send me without cost or obligation, your new book, "Cutting Costs with Copies".

☐ Send information regarding the Ditto One-Writing Billing and Shipping System.

Name.....

Address.....

City.....

State.....

When writing to Ditto Incorporated *please mention Nation's Business*

Selling Under the New Deal

By R. E. IMHOFF Merchandising Sales Manager, Westinghouse Electric & Mfg. Co.

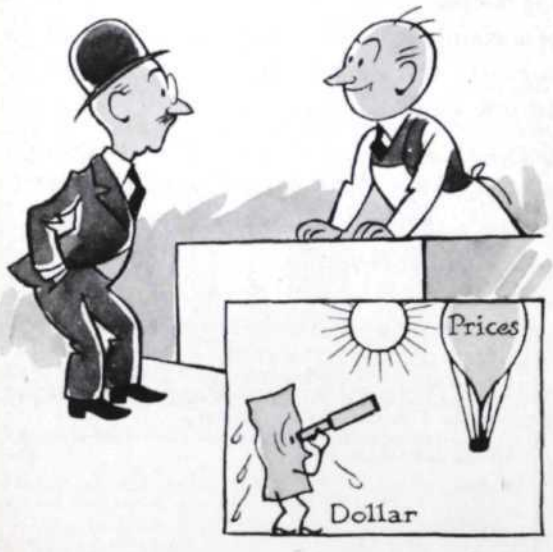
CODES and their application have ended some sales problems by giving birth to others. Here is one man's view of the resulting situation and the steps which are needed to meet it



It did not take the alert salesman long to rise to his new opportunities

THE growth of retail business, like the growth of industry, commerce, and the professions, has been a gradual evolution, discarding unprofitable practices, substituting new ideas and new methods, but usually pursuing an orderly advance. True, now and then evolution speeded up to the point of revolution and occasionally some epic change was made—but these were the exceptions and not the rule. One of these major changes occurred in a former generation when the merchants discarded their packs and wagons for storerooms and showcases.

Today we are engaging in a revolutionary experiment in which not only retailing but our whole composite business structure is marshalling itself to transact business under a New Deal. Industries and business groups have got together and established codes. They have agreed among themselves as to what they will and will not do. Government, as referee, undertakes to guarantee that all agreements will be carried out. Under the New Deal, it is intended that the rules will be the same for all entrants, the rewards will be commensurate to the intelligent effort expended, and the highest honors will go to those best fitted for domination.



Rising prices and the decreased purchasing power of the dollar should prompt quick buying

As a merchandise sales manager I welcome the New Deal. Even if all the features contemplated do not materialize and even if many revisions must be made, still the plan will be effective. This is because the mere announcement that there was a New Deal immediately started a chain of serious thinking among business men. This was not merely academic thinking but definite, planned thinking that had to be translated into action as every man suddenly awoke to the fact that some features in the New Deal were going to affect him materially. His only salvation was to think his problem through intelligently and take action to protect his interests.

Everyone found that his activities would be affected by at least one code and many found that they would be affected by a half dozen or more. This necessity for constructive thinking was, in itself, stimulating to business. It did not take the alert salesman long to sense a changed mental attitude and to rise to his new opportunities. He and his prospects now had many new things that they could discuss with common interest because everyone wanted as much information as he could gather from all sources as to the probable effects of the New Deal.

A job of real selling

OBVIOUSLY this gave the real salesman an opportunity to present his case. His job had again become a job of real, creative salesmanship. Thus one of the earliest effects of the New Deal has been to stimulate the *esprit de corps* of sales organizations.

There was a time, in the dim past, when the merchandise sales manager of a manufacturing company was considered to be doing a pretty good job when he was able to move his products out of his own warehouse. If they passed through a jobber or distributor, these agencies were responsible for seeing that the goods reached the retailer or dealer and the dealer in turn was responsible for getting the goods to the consumer. But that was long ago.

Today the sales manager has only begun his work when he delivers his



Known cost

If you were offered two apparently similar articles marked with these tags, which would you purchase with a more secure feeling?

You borrow money. The rate of interest is specified in the note or bond. You know in advance what that money is costing you.

You rent an office or a factory. The amount of rental is specified in the lease. You know in advance what your rent costs.

You buy a railroad ticket. You know in advance what it is going to cost you. There are no unexpected charges at the end of the journey.

Knowledge is power.

The more costs business knows in advance, the more powerfully and certainly can business forge ahead. The fact that some costs cannot be forecast with exactness is one of the major reasons for business uncertainty in unsettled periods.

One of the outstanding characteristics of Stock Company Fire Insurance is that the exact cost to the policyholder is always known in advance. There is never a possibility of assessment.

In addition to known cost, Stock Company Fire Insurance also offers indemnity on the basis of known reserves—the paid-in capital and the premium reserves which are required by law, plus the company surplus. Such indemnity is sound in principal and safe in emergency, because it rests on statutory reserves rather than on the resources of the policyholders.

Known cost is just one of the many reasons why it will pay you to specify "Stock Company Fire Insurance."

More details on this interesting subject are given in the booklet, "What Buying Fire Insurance on a Price Basis Really Means." A copy will be gladly sent without charge.

THE NATIONAL BOARD OF FIRE UNDERWRITERS • NEW YORK—85 John St. • CHICAGO—222 West Adams St. • SAN FRANCISCO—Merchants Exchange Bldg.

A National Organization of Stock Fire Insurance Companies Established in 1866

STOCK COMPANY FIRE INSURANCE

is a dependable form of insurance, practically universal in its coverage, and consequently vital to the public interest and the social order. Stability and security and service are outstanding characteristics of stock company fire insurance, the exact cost of which is always definitely known in advance to the policyholder, upon whom no assessment can ever be levied. Competent local agents are available everywhere for prompt and efficient service to the policyholder. Look on your policy for an imprint to show it is issued by a "Stock Company."

When writing to THE NATIONAL BOARD OF FIRE UNDERWRITERS *please mention Nation's Business*



MY WATCHMAN WORKS 24 HOURS A DAY

"Twenty-four hours a day? . . . I don't understand!"

"Well, you see *my* watchman is A.D.T. automatic protection service It watches my property automatically, twenty-four hours a day, including Sundays and holidays."

"How can property be watched automatically?"

"The A.D.T. installs electrical devices in all parts of your property which detect fire in the incipient stage and report it to the fire department instantly. Other electrical devices detect unlawful entry and instantly summon emergency police."

"What does such service cost?"

"I have found it the least expensive method of safeguarding my premises; it required no capital investment—and it definitely increased my protection—that's what interests me."

• • •

Full information regarding A.D.T. Automatic (electrical) Protection Services against Fire and Theft is available without obligation. The coupon is handy.

A.D.T. SYSTEM

A Nation-wide Service

CONTROLLED COMPANIES OF

AMERICAN DISTRICT TELEGRAPH COMPANY

155 SIXTH AVENUE · NEW YORK N.Y.

Please send me booklets describing A. D. T. Automatic Protection Systems.

If your property is automatic sprinkler equipped please check here ☐

Name _____

Address _____

When writing please mention Nation's Business

goods to the distributor. He must see that the goods flow in proper volume to the next outlet, the retailer or dealer, and from there to the consumer.

Obviously if the sales manager is to assume these responsibilities he must have something to say about the training and selling methods not only of his own sales force but of the jobbers' salesmen as well. They must be trained to be more efficient and must be taught to seek new retail outlets in an orderly and well planned way. In our own organization we consider this so important that we have worked out a definite educational program for our own salesmen and our jobber salesmen. Twice a month in our larger trading areas and at least once a month in all areas our headquarters and district men have access to all jobber salesmen to give them a better knowledge of our company, to keep them fully informed on our product, our promotional efforts and to tie them in to current campaign activities. We also insist that our jobber and dealer organizations be departmentalized. That is, part of their organization must agree to devote itself exclusively to merchandising.

Study buying habits

THIS responsibility requires that a sales manager know many things. Why do people buy and what prevents them from buying? How do people pay and what relation have terms of payment to sales? When do people buy certain things and why do they select that time? What kind of stores are the best outlets for certain goods? These and a hundred other considerations influence the movement of goods.

As an example, I was much interested in knowing why my company's washing machines sold so well in the first six months of 1933. Our sales in that period were 80 per cent greater than in the same period of 1932. But the washing machine industry as a whole only gained 42 per cent in this period.

Furthermore, I found that we had no large accounts—just a continual repeat on small orders from comparatively small dealers. Investigation soon showed the reason.

We had gone much farther in our 1933 sales promotion plans to help the dealer actually make the floor sale. We had given the inexperienced washer salesman—the man who only occasionally was called upon to sell a washer—some real selling help. I arrived at a decision. Hereafter the man we depend on to sell our appliances to a patron will be better trained and better equipped than he has been in the past.

The 1933 selling season has brought some other puzzling questions. For instance, 1933 is now recognized by all electric refrigerator manufacturers as a banner year. Why? Well, your guess is probably as good as mine, but here are some things that undoubtedly contributed.

In the four year period, 1929 to 1932, the number of electric refrigerators in use reached a total of approximately 4,000,000. By-and-large these boxes were all giving satisfactory service. Now 4,000,000 satisfied owners are a potent sales influence. Undoubtedly their word-of-mouth advertising has led another million to *want* an electric refrigerator.

Then the New Deal was announced. Probably many people who already wanted electric refrigerators figured the turning point had arrived. They promptly bought.

There were other influences, too. Talk of "inflation of currency" was in the air. Although few people really understood what this meant they knew that the effect would be to reduce the purchasing value of their dollars, so why not spend them while they still had maximum value. Then there was talk about a general sales tax indicating that the price of all commodities, including refrigerators, would advance sharply.

And of course, there was beer and beer needs cooling. The advent of beer incidentally had one interesting influence on refrigerator sales—it boosted the sales of the larger boxes. This was especially noticeable in trading areas with a large beer-drinking population.

Whatever the cause, I cannot help thinking how advantageous it would have been to some sales manager if he could have accurately foreseen the situation and controlled his production accordingly.

While the salesman always has been and probably always will be the greatest single factor in selling a firm's products, the new scheme of things is going to require more than good salesmanship. The manufacturer must assume many new obligations and responsibilities under code operation.

Using results of research

FOR one thing, some steps must be taken toward what I call the "equalization of values" between the large and small manufacturer. What I mean is this:

In many lines the large manufacturer does practically all the experimentation—the research on materials and processes, the service testing, the creation of new devices, new models, new styling. The cost of this effort must be absorbed in his costs. But many small manufacturers simply wait until this preliminary work is done and then reproduce as nearly as possible those devices which the large manufacturers' experiments have proven to be the best. Such conditions obviously give the smaller manufacturer a distinct price advantage which must be considered in any price regulations or restrictions im-

NATURE MADE HIM QUIET

...he has no vocal chords with which to utter a sound!



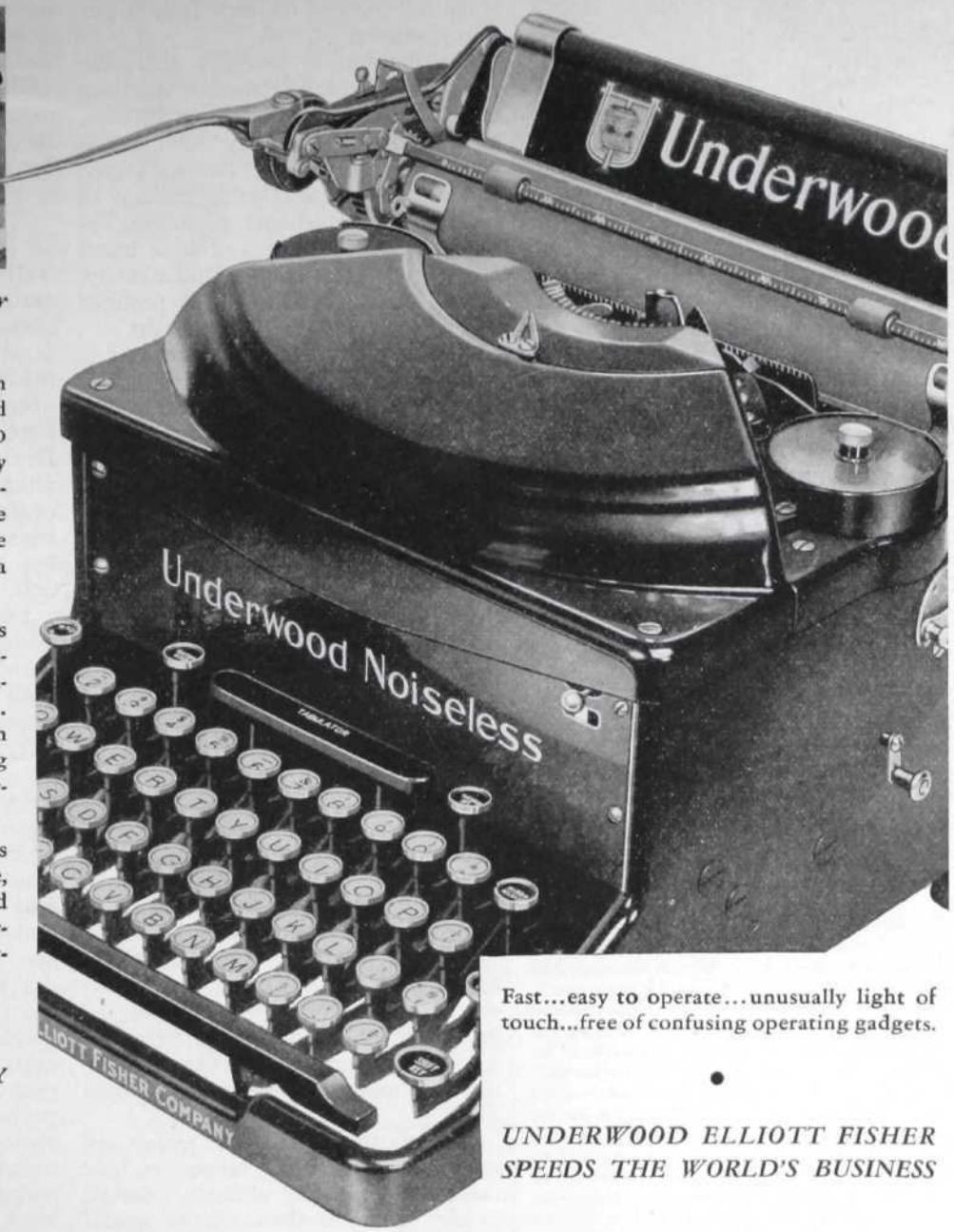
The Executive Office Typewriter

JUST go to any Underwood Branch today and SEE the new Underwood Noiseless Standard...AND TRY TO HEAR IT! It's the ideal machine for any office that is jointly occupied by executive and secretary...for any place where even the businesslike tapping of the ordinary typewriter might disturb a precious thought.

The remarkable thing is that in this new typewriter Underwood has succeeded in combining the noiseless feature with typical Underwood speed... lightness of touch...ease of operation ...and stability. There are no confusing operating gadgets on the new Underwood Noiseless Standard.

If you'd like a demonstration of this new Underwood in your own office, just telephone the nearest Underwood Branch today. Remember, every Underwood Typewriter is backed by Underwood Service.

Typewriter Division
UNDERWOOD
ELLIOTT FISHER COMPANY
Typewriters... Accounting Machines
Adding Machines
Carbon Paper, Ribbons and Other Supplies
342 Madison Ave., New York, N. Y.
Sales and Service Everywhere



Fast...easy to operate...unusually light of touch...free of confusing operating gadgets.

•

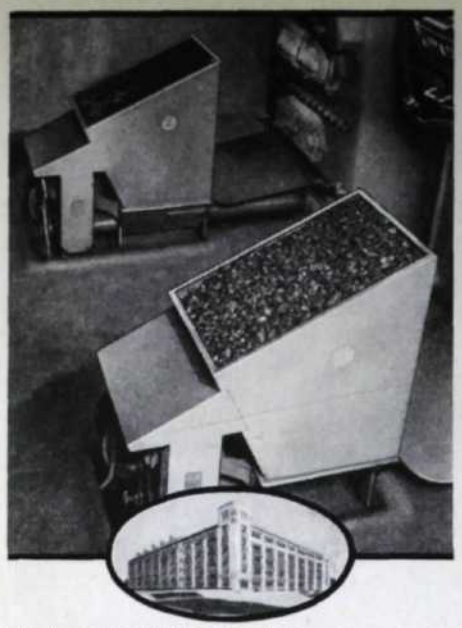
UNDERWOOD ELLIOTT FISHER SPEEDS THE WORLD'S BUSINESS

Listen to "The Voice of America", every Thursday evening 8:30 to 9:00, E.S.T., Columbia Network—Key Station WABC, N.Y.

UNDERWOOD MADE THIS NOISELESS

...not a click or a tap to disturb a precious thought!

When writing to your local UNDERWOOD ELLIOTT FISHER COMPANY *please mention Nation's Business*



The plant of Furst-McNess Co., chemists and manufacturing pharmacists, Freeport, Illinois, and its Iron Fireman equipment

"IRON FIREMAN cut our fuel bill $1433.65 the first year"

says the President of Furst-McNess Company



F. E. Furst, President of Furst-McNess Co., Freeport, Illinois.

At one stroke this well known company cut off more than half its fuel bill—53%, to be exact, by installing Iron Fireman Automatic Coal Burners in the boiler room. In the first year of Iron Fireman operation the actual cash saving on fuel was $1433.65.

Let Mr. F. E. Furst, President of the company, tell the rest of the story, which suggests a possible similar experience for you:

"Our boiler room is much cleaner . . . more uniform steam pressure . . . fireman has more time for other work. Smoke is thoroughly consumed in the firebox—a striking contrast with the stacks of several nearby factories which are belching out black smoke most of the time. No expense for repairs . . . not necessary to call in a service man. You certainly sold us a good investment . . . our Iron Fireman burners paid for themselves in two years, will pay us good dividends from now on."

An Iron Fireman installation probably can make similar savings for you. You owe it to yourself to find out. Just ask for a free survey and report. No cost, no obligation. Use the coupon. Iron Fireman Manufacturing Company, Portland, Cleveland, Toronto. Dealers everywhere.

IRON FIREMAN

AUTOMATIC COAL BURNER

IRON FIREMAN MANUFACTURING CO.
3170 W. 106th Street, Cleveland, Ohio

☐ Send literature ☐ Please survey my heating plant.
☐ Residence Type of business.....

Name.....

Address.....NB-2

When writing please mention Nation's Business

posed by code. Accurate cost determination also becomes a matter of major importance under code operation, since ultimate selling price will depend directly upon actual cost. Just what constitutes cost must be determined—that is, what expenses, due to research, design, development, distribution or services, shall be applied as component parts of the actual cost of a device. Some uniform cost-accounting system either must be adopted by various industry groups or imposed upon them if the full spirit of the code is to be put into operation.

Distribution of products from the manufacturer to the consumer will have to come in for more attention because, obviously, the company having the most direct, efficient, yet flexible, organization will be in a better position to sell competitively under conditions demanding that the selling price be based on cost plus a percentage. Undoubtedly, the ultimate solution of this problem will reduce the cost of distribution.

I have seen some doubts expressed as to what effect code operation would have upon advertising and intensive promotion of an individual firm's product. Some people seem to fear that advertising and promotion will tend toward cooperative industry effort and that individual effort will recede. I do not agree with this view. Although I foresee cases where cooperative advertising and promotion will probably be advisable, the major effort will, in my opinion, continue to be individual and intensive advertising and promotion. Doubtless some firms will have to modify their advertising but, if a survey were made of all advertising, I am sure this class would prove to be small.

Two types of appliances

ELECTRICAL home appliances divide themselves roughly into two classes.

First, there are the so-called "socket appliances"—electric irons, fans, toasters, grills and so on which are plugged directly in on the line and consume but a moderate amount of current. Incidentally most of them cost less than $15.

Second, there are the "major appliances," refrigerators, ranges, washing machines, vacuum cleaners, electric ironers. Some of these require special wiring, some consume considerable current, and all of them range in price from $30 to around $400.

The "socket appliances" might be termed "traffic" items or "over-the-counter" items, bought usually inside the store. Their sale, to a large extent, depends upon the number of places where they are exposed to the buying public. On these lines the dealer obviously can be given practically no territorial protection. The "major appliance" lines are sold, to a large extent, by specialty salesmen and the retailer handling them must have reasonable protection in a certain trading area.

Until the past few years, the merchandising departments of the public utilities were the best outlets for all electrical appliances, but since 1930 they have gradually discontinued selling until today most of them are doing only a promotional job. This has greatly affected the distribution of such devices. For instance, in a two months' iron campaign in cooperation with a large utility company in 1931, we sold 64,000 irons. In the same length of time in 1932, under the revised policy of the utility company, we sold less than 7,500 irons. The prospective market was still there, but we had to find new avenues for reaching it.

Financing sales is needed

THE sale of the first class of appliances is, by-and-large, a cash proposition. But, with the second class, the price is large enough that, in most cases, the sale depends upon the method and liberality of financing. So, in considering the trend of business under the New Deal, as it applies to the "major appliances," we must consider the attitude of the finance companies toward financing such sales in a rapidly growing market. Fortunately, the situation is favorable.

Installment purchasing has been criticized off and on for years, but its soundness was not thoroughly tested until we experienced three years of depression.

The results, insofar as the financing of electrical appliances is concerned, were surprisingly good. For instance, in one of our large metropolitan areas, approximately 80 per cent of the refrigerators sold in the past two years were sold on time payments. Of these, less than one per cent had to be repossessed due to failure of payments. The loss due to illegal possession or conversion on refrigerators not fully paid for ran decidedly less than one-half of one per cent. On washing machine sales, the records show about 50 per cent on time payments, with repossessions running about 2½ per cent due to failure to maintain payments, and loss due to illegal possession or conversion running about one per cent.

These percentages, typical of all trading areas, are much better than one would expect when we consider the tremendous amount of unemployment and the vast number of people who were working on part time or reduced income. This indicates that installment buying, as far as electrical appliances are concerned, is sound and that we will have no difficulty in handling an increased volume of such business as conditions improve. It is rather surprising to note, however, that in good times

or bad, the percentage of time payment sales to total sales remains about the same, so that any increased credit required would be for increased volume rather than a shift in the percentages between cash and time payment purchases.

The thought is sometimes expressed that the charges for installment purchasing are exorbitant and that they add materially to the first cost of an article. This impression results from a too hasty conclusion. As a matter of fact, installment selling has tremendously increased purchasing. This increased purchasing has, of course, increased production. Increased production has materially lessened the first cost so that today the first cost plus the cost of installment purchase is still less than the first cost would have been without installment selling.

The low percentage representing loss due to illegal possession or conversion indicates, first, the sincerity of purpose of the purchaser under this system and, second, the efficiency of the credit organization both in passing upon credits and in following delinquency.

In many lines of business the credit manager is a thorn in the flesh to the sales manager. In my company the credit manager and the sales manager cooperate and, in turn, maintain similar happy relations with the finance company.

Increased sales are likely

THERE are a number of factors which lead me to believe that the electrical appliance business is about to experience a very substantial increase in sales volume. Many of these appliances fall in a class midway between necessities and luxuries depending upon the individual taste of the buyer. For some time our average citizen has been forced to be satisfied if he could purchase only the major necessities. And the average citizen is our best prospect. More than 80 per cent of our entire population earns less than $2,500 a year and from this class come most of the buyers. Reemployment is greatly relieving the weakness of purchasing power. More people are finding themselves with more money to budget and for many, this means that certain items beyond the scope of necessities can once again be considered.

There is, too, the psychological effect of a nation-wide appeal to buy now.

Economically the situation is right to encourage buying. Indications are that prices are still on the upgrade and with most commodities we can buy more cheaply now than later. Simultaneous with this gradual rise in prices is the decreasing purchasing power of the dollar. Good business judgment would prompt the average citizen to turn any excess dollars into wanted goods.

Are they just names on a map to YOU ?



PARIS

Watch the world go by your sidewalk café . . . stroll along the Champs Élysées, explore Versailles . . . shop, play, be gay!



BRUSSELS

Famous art galleries . . . flowering parks . . . the great Palais de Justice . . . the memory of nimble old fingers making lace.



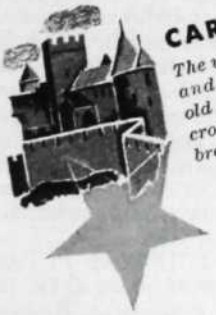
LONDON

The streets that Dickens knew . . . the Abbey . . . the Palace. . . . Walk amidst historic scenes, and London comes alive.



CHAMONIX

The crystal-clear air of the French Alps . . . a lake of ice . . . towering Mont Blanc . . . Switzerland a few miles away.



CARCASSONNE

The walled city . . . towers and turrets centuries old . . . parapets where crossbowmen stood . . . a breath of the Middle Ages.



BIARRITZ

Bathing on golden beaches . . . golf, tennis . . . the country of the mysterious Basques . . . the nearby Pyrenees and Spain.

To SEE THE WORLD . . . to turn those names on a map into vivid pictures—how fascinating it is, and how easy to do today!

For modern travel has been made absolutely trouble-proof. English is spoken all over Europe. Transportation and living expenses are cheap. And with the aid of your travel agent you can plan your trip in advance so that you will see *everything* you really want to see.

A good travel agent is a mine of information. He will advise you about interesting events and places. He will see to your tickets, both boat and rail. He will arrange your hotel accommodations. If you want to take your car, he'll attend to all the details. *And he won't charge a cent for his services!*

A travel agent will always be glad to book passage for you *via* the French Line. For he knows that on France-Afloat you will travel with comfort and satisfaction . . . delicious French food . . . big, airy cabins . . . courteous, prompt, English-speaking service . . . and beautiful modern ships built for steadiness and safety.

Europe is calling, and this is your year to go. It's not too early to plan a trip. See your travel agent, today! . . . French Line, 19 State Street, New York City.

French Line

ILE DE FRANCE, Feb. 3, Mar. 24, Apr. 14, May 5 • PARIS, Feb. 17, Mar. 17, Apr. 7 • CHAMPLAIN, Feb. 10, Mar. 3, Apr. 3 • LAFAYETTE, Mar. 10

When writing to FRENCH LINE *please mention Nation's Business*

REPUBLIC
MECHANICAL RUBBER PRODUCTS



Higher Standards Achieved through Scientific Control

THROUGH 33 YEARS of field research and laboratory developments Republic has established higher standards in the manufacture of rubber belting, hose, packing, molded products and extruded specialties. Highly trained engineers and technologists study each customer's needs and then fulfill all the required details of chemistry and processing to meet specified conditions.

The most rigid scientific control is the foundation of Republic's ability to furnish mechanical rubber goods that are accurate to all specifications and of highest quality.

Regardless what your needs may be, you can depend upon the combined efforts of Republic and its distributors to meet your demands fully and on scheduled time.

NRA WE DO OUR PART

THE REPUBLIC RUBBER COMPANY
YOUNGSTOWN, OHIO

Leadership in Policy, Product and Performance.

ORDER
REPUBLIC RUBBER PRODUCTS FROM YOUR DISTRIBUTOR

Yours Received and Contents Noted

Mr. DuPont Discusses The Socialism Question

TO THE EDITOR:

I have read with much interest Whiting Williams in NATION'S BUSINESS for December.

I often wonder why our thinking people who show a tendency toward Socialism so often take the attitude that, because things have gone wrong in the past under the capitalistic system, we must necessarily adopt some form of Socialism or near-Socialism. This is well brought out in Williams' article. He states: "In '29 we lived ourselves too far into a new 'collective play-safe-ism.' What we need, along with our efforts to end depression, is to base our long-time planning on the experience since 1920. This will bring more Government in business, more Socialism and less individualism. But it will not exact security while murdering opportunity in the measure urged by present-day shortsighted extremists."

This is equivalent to saying that, because in 1929, under a so-called "individualism," men did things which were unfair and injurious to others, and other men did things which were helpful both to themselves and others that we must not take away the right of both classes to do the things that were done in 1929.

It seems to me that what we need today is not the curtailment of the individual's right to do things, but rather a discrimination, either by legislation or by education, between the acts which are helpful and otherwise. Under Prohibition, because some kinds of drinking were undesirable, we prohibited all drinking. In 1929 we had unfair competition in industry, so our NRA decides that hereafter we shall have no competition; that is, the Government shall regulate industry.

L. DUPONT, *President*
E. I. DuPont, DeNemours & Co. Inc.
Wilmington, Delaware

Professor Carver Comments on Mr. O'Leary's Article

TO THE EDITOR:

I have read with great interest Mr. O'Leary's article, "Recovery and the Profit Problem." It is an important and timely contribution. However, it is extremely improbable that any two persons can agree on all the details of so complicated a problem. I venture a few suggestions.

Long ago I pointed out that the investors' market was more unstable than the consumers' market. The investors' market is a market where producers' goods, or capital goods are bought and sold. The consumers' market is a market where consumers' goods are bought and sold. The greater instability of the market for producers' goods is amply verified in Mr. O'Leary's article.

I also explained why the investors' market was so unstable. The reason is found in the wider fluctuations in the value of producers' goods and the narrower fluctuations in the value of consumers' goods. The reason for this is, first, that the demand for producers' goods is a derived demand, and their value is an imputed value; and, second, that the value of producers' goods is determined by capitalizing the small margin of profit to be made on their products. When the price of the product rises a very little it may double or quadruple that margin of profit. If investors capitalize that increased profit, it gives a greatly exaggerated value to the producers' goods.

A factory which, for example, can turn out a million units of product at a cost of $10 a unit, is worth nothing if the product can only be sold at $10 a unit. If the price of the product should rise ten per cent to $11 there is a million dollars profit which may be paid in dividends. If this is to continue, or if it is expected to continue, the plant will now sell for $20,000,000.

Suppose, however, that it only costs $10,000,000 to erect and equip another plant just like the one in question. This greatly stimulates the building of plants. If there is overbuilding, as there is likely to be, sooner or later there will be an oversupply of products. The price will then fall. If it falls to $10 a unit or less, no plant is worth anything. Shares on the stock market fall correspondingly.

Of course, the full effects of this tendency are retarded or accelerated by anticipations of the future. A plant which is worth nothing at all on the basis of the present price of its product, may still have a value if investors think that the price of the product may rise at some time in the future.

Now, the result of all this is, it seems to me, to qualify somewhat Mr. O'Leary's findings. It is, of course, true, as he points out, that the industries which produce capital goods fluctuate more widely than those which produce consumers' goods. It is also true that, until the industries which produce capital goods again start up, we shall not be able to employ all or nearly all of our workers. But it is my belief that the industries which produce capital goods are dependent, ultimately, on the consumer's demand for the products of their products. If we were not endowed with a moderate degree of foresight, we should have to wait until that consumer's demand actually began to function before starting to produce producers' goods or build productive plants. Those gifted with foresight, or who think that they are, may, of course, attempt to anticipate that consumer's demand and build in advance in order to be ready to supply it when it develops. Those who miss their guess will become bankrupt, which alone would demonstrate the dependence of the industries which produce producers' goods on the ultimate demand for consumers' goods.

In other words, it would be a fatal mistake to try to stimulate the production of producers' goods before we are certain that there will be a consumers' demand for their products.

All that Mr. O'Leary says about the futility of trying to tax away the profits of the heavy industries in the interest of labor is, of course, well taken. Some of our lead-

ing statesmen seem to be determined to build the house from the roof down instead of from the bottom up.

T. N. CARVER, *Professor*
Cambridge, Mass.

A Texas Reader's View of NRA

TO THE EDITOR:

I wish to congratulate you on your editorial in the December NATION'S BUSINESS.

Austin is a town of about 60,000 people, and of course is greatly helped by expenditure of tax money through the state institutions. But it seems to me that, even with this aid, business here is growing steadily worse and fear has taken a deeper hold on our people.

Before the NRA, building was beginning to pick up and homes were being built. Now there is practically no building and the price of lumber has advanced about 100 per cent. Union carpenters met to pass resolutions to get $1.00 an hour and union laborer groups adopted much the same plan. Most of them are now on the relief rolls.

A friend who runs a lumber company told me that, before the NRA, he was making a little money and doing lots of business and operating three trucks. Now he has discharged two truck drivers and says the other one is not busy more than one-tenth of his time. He has let off most of his helpers, has his yard full of lumber which he says he cannot sell, and he does not see how he can possibly get in enough collections to take care of his maturities. He has told all his helpers that they cannot depend on a thing and thinks he will have to let all of them go although some of them have been with him a long time and are good men.

Great crowds of men are at work under public relief direction, doing nothing of any consequence for the most part, and getting 40 cents an hour, I believe it is. People have come in from the farms and many of them have quit jobs at fair wages and gotten on these relief rolls.

I own four filling stations, a tourist camp and considerable rent property here. So far as I can learn, business has grown steadily worse with every unit of my business. I have just finished checking the tourist camp collections, which show collections about $200 less for November, 1933, as compared with November, 1932, with expenses the same or more.

Everything here is confusion and fear.

In my judgment most of the relief measures are proving almost complete failures, and the sooner the press and the leading business men turn against these measures with constructive criticism, the better it will be for all of us.

M. H. CROCKETT
Austin, Texas

"Let Labor and Capital Divide Business Profits"

TO THE EDITOR:

It should be admitted by all with intelligence that industry must be allowed a profit in order to continue operating. What the average profits are in business I do not know but, allowing for failures, the average may be less than eight per cent.

The 30-hour week advocated by President Green of the American Federation of Labor

How are your Costs Figured?

HERE'S A METHOD THAT GIVES THEM TO YOU QUICKLY, ACCURATELY, ECONOMICALLY

"No manufacturer is to sell products at prices below his individual costs as determined by a cost-finding system"
(FROM A CODE)

YOUR business, *all* business, faces a revolution in cost-accounting practice. . . . There is scarcely a single code that doesn't call for new forms, new records, new reports from each member of the industry. Many codes, in fact, require uniform cost systems. And in addition, there are complex cost questions raised by new state and federal taxes. (To say nothing of legislation which may be imposed in the future.)

Is your business prepared to meet these new demands? Are your costs figured as quickly and accurately and economically as possible? If not, consider the Comptometer Peg-Board method. It analyzes any volume of sales-, payroll-, material-costs, or other statistical data. And it furnishes *quicker figures, cheaper figures, more accurate figures.* That's why so many companies, large and small, are turning to this method every day.

Comptometer representatives are experienced in the cost-accounting problems and figure routines of all types of business. This experience is always at your service. For further information about the Comptometer Peg-Board method, and its application to your problems, fill out the coupon below. You incur no obligation. Felt & Tarrant Mfg. Co., 1712 North Paulina Street, Chicago, Ill.

FELT & TARRANT MFG. CO.
1712 N. Paulina Street, Chicago, Ill.

Please advise how you can help us get cost figures quickly, accurately, economically.

*Name*_____

*Address*_____

*City*_____ *State*_____

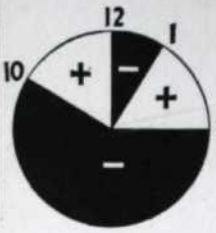
COMPTOMETER METHODS SPEED PRODUCTION OF COST FIGURES

COMPTOMETER
(TRADE-MARK)

When phoning a COMPTOMETER *representative please mention Nation's Business*

EDISON GUARANTEES 20%-TO-50% INCREASED BUSINESS CAPACITY!

IS YOUR OFFICE WASTING TIME?



• Edison guarantees 3 Full-Time secretarial service...!

The average office starts dictation about 10; subtract an hour for lunch; at 3 dictating stops, to finish typing by 5. Only 4 hours of routine service a day!

The PRO-TECHNIC EDIPHONE has changed this . . . provided *full-time* secretarial service for thousands of offices. Edison's completely enclosed dictating machine has eliminated the part-time dictation day!

Edison PRO-TECHNIC Service allows everyone to forget clocks. Each dictator becomes independent of "dictation periods" —entirely free to manage his own time!

See the new PRO-TECHNIC EDIPHONE! It is tailored in steel . . . dust-proof. All mechanism is enclosed. It employs Edison's new principle of "Balanced Voice-Writing" which humanizes the voice...and *guarantees* 20%-to-50% greater business capacity.

There is a popularly priced Ediphone designed to fit the requirements of EVERY type of office!



secretarial service all the time with the

Pro-technic Ediphone



For detailed information—telephone or write "The Ediphone."
WORLD-WIDE SERVICE

Thomas A Edison INC.
ORANGE, NEW JERSEY

would cut down the work done by men and machines 37 per cent below that done when working 48 hours. The 30-hour week would be a direct concession to labor and would not benefit any branch of industry. Unless labor will accept a wage cut to cover the loss, industry will have to stop, and more men will be thrown out of work.

It would be well if the leaders in some big industry were to propose to their labor unions a profit-sharing basis for wages. Suggest, say, that all employees be paid the minimum wages and that the profits, if any, be divided between the employees and the companies in a fair proportion. No labor union leader would agree to such a proposition, although it would be fair to both parties. However, it would put the business in a more favorable light with the general public. I suggest that you get someone to make such an offer.

Wages should be adjusted from time to time in accordance with purchasing power. The pegging of wages at a certain figure is unfair and illogical. Wages should go up or down according to the average gains and losses in industry and the purchasing power of money. When free competition is allowed such matters tend to adjust themselves, but now the Government steps in and attempts to have every detail of business run by politicians.

Politicians know politics. There is an adage: "Let the shoemaker stick to his last."

Raising commodity prices raises the cost of living. If wages had been cut three years ago to correspond with the drop in prices, there would have been no need to go off the gold standard, nor to have started the "NRA program." European countries are recovering from the depression without help from any kind of NRA.

(The Writer asks that his name be withheld for fear of Retaliation by labor).

The American Scene

Operations "We see in one quarter of the world a series of operations proceeding upon the currency of a great people. We are told that these operations are intended to raise the internal prices of America and we hope they may succeed, although I am bound to say they do not appear to have achieved much success yet."

NEVILLE CHAMBERLAIN,
British Chancellor of the Exchequer, in a speech at Birmingham

Stagnation "The ultimate success of the present reconstruction program will depend upon a revival of a sound capital market. Practically all financing of new construction is today being done by the Government. That is not healthy and it is a reflection of the so-called emotional paralysis or stagnation which affects the public security market."

WINTHROP W. ALDRICH,
president, Chase National Bank, before the Senate Banking and Currency Committee

Definition "Recovery for the American cannot mean communism, socialism, bureaucracy or dictatorship. We will never surrender rugged individualism for ragged collectivism or an uncertain future. We will neither impair the tested fundamentals of our political system nor engage in destructive collision with invincible principles of economic law."

JAMES A. EMERY,
general counsel, National Association of Manufacturers, in a speech at the annual meeting

Peril "The greatest threat to the success of this partnership lies in the ever present tendency of Government to bureaucratic regulations and the extension of its powers, and in the narrow selfish aims and ambitions of management or of labor."

MALCOLM MUIR,
division administrator, National Recovery Administration

Opportunity "We have not had any real inflation yet, in any sense. It is not too late for the President to put down his foot and say, 'No, we won't do it.' If he were to do that, there would be an outburst of confidence such as we have not seen in the United States since the depression settled down. And there is nothing we need so much at the moment as confidence in the future."

DAVID A. REED,
Senator from Pennsylvania, in an interview at Washington

Distrust "We are a mercurial people. The memory of post-war depreciation of currencies in Europe is still fresh. We have recently experienced distrust of banks spreading like wildfire throughout the country. A similar wave of currency distrust threatens.

"I have now reached the conclusion that there is no defense from a drift into unrestrained inflation other than an aroused and organized public opinion."

PROF. O. M. W. SPRAGUE,
in a letter to the President resigning his advisory post in the Treasury

Threat "The real threat of inflation comes, not from the present money policy, but from the possibility of its failure. Among the inflationary devices entrusted by Congress to the President, the milder are being used. If they do not prove effective, the danger is that Congress will make mandatory more drastic and even uncontrollable measures. In this event it will be upon those who sabotage the present policy that the onus of such a frightful disaster must rest."

JAMES HARVEY ROGERS,
professor of economics at Yale, replying to a statement of Professor Sprague

Frankness "I am for gold dollars as against baloney dollars. I am for experience as against experiment. If I must choose between private management of business and management of a government bureaucracy, I am for private management. I am ready to go through a certain amount of deflation if the choice is between this and outright money inflation."

ALFRED E. SMITH,
Democratic candidate for President, 1928, in a statement on the monetary question

Rigging "Is it really more dishonest for Wall Street wolves to strip the lambs of their money by rigging the market than for Government to take away the savings of the thrifty by rigging the currency?"

GEORGE HORACE LORIMER,
in a Saturday Evening Post editorial

New Era "I believe we are at the dawn of an era when the average man and woman and child in the United States will have an opportunity for a happier and richer life. And it is just and desirable that this should be so.

"After all, we are not in the world to work like galley slaves for long hours at toilsome tasks to accumulate in the hands of two per cent of the population 80 per cent of the wealth of the country.

"We are here with hopes and aspirations and legitimate desires that we are entitled to have satisfied to at least a reasonable degree."

SECRETARY ICKES,
in a speech at the Centenary Banquet of the Philadelphia Board of Trade

Middle Class "The gaps in the old tax law must be closed so that the wealthy may not escape. And, in addition, and I say this in all sincerity, the great middle class of this country which, after all, furnishes the vitality and the vigor and the moral tone to our body politic, for its own preservation, must be willing to subject itself to the taxes necessary to finance the additional emergency obligations incurred if they are incurred."

LEWIS W. DOUGLAS,
federal director of the budget, in a speech at Boston

Maladjustment "Those people who would have us crawl back to the old ideas, like a wounded animal to an abandoned den, misread the temper of the people as well as the intelligence of the present Government. We are trying to show the heaped-up corporate surpluses and the overconcentration of wealth are not the life of trade but the death of trade.

"Incomes must be transformed into larger wages and higher prices to farmers, not simply stacked up in sterile hoards of capital, if wealth in any large and gratifying sense is to breed again.

"Nothing but higher wages and farm incomes together with moderated retail prices can redress the maladjustments which continue to exist in the structures of our prices. Profits will have to follow from new efficiencies."

REXFORD G. TUGWELL,
assistant secretary of agriculture in a speech before the Chicago Forum

Revolution "I doubt the constitutionality of many of the measures now before the American public. The Supreme Court probably would overrule the enforcement of the NRA in many instances, unless it is accepted as a measure to be used during a period of revolution. For we are going through a revolution, in many respects as great as that in Germany."

PROF. A. A. BRUCE,
of Northwestern University, chairman of the Compliance Board of the NRA

Temperance "I trust in the good sense of the American people that they will not bring upon themselves the curse of excessive use of intoxicating liquors, to the detriment of health, morals and social integrity.

"The objective we seek through a national policy is the education of every citizen toward a greater temperance throughout the nation."

PRESIDENT ROOSEVELT,
in his proclamation declaring the Twenty-first Amendment in Effect

LARGEST, FASTEST *on the Pacific*

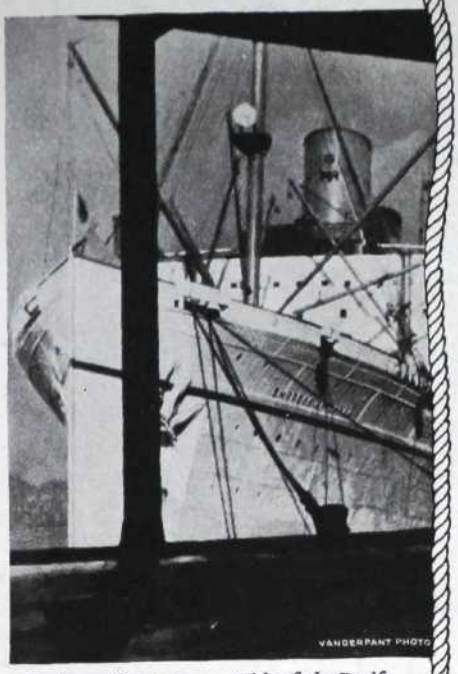
● **HONOLULU**... A dazzling white streak across the Pacific. *The Empress of Japan!* Largest, fastest ship on the largest of oceans. Reaching Honolulu in 5 days, Yokohama in just 8 days more ... along with her running-mate, Empress of Canada.

● **ORIENT VIA DIRECT EXPRESS ROUTE**... to Yokohama in 10 days flat ... on Empress of Asia and Empress of Russia. The only way to get there faster is to fly!

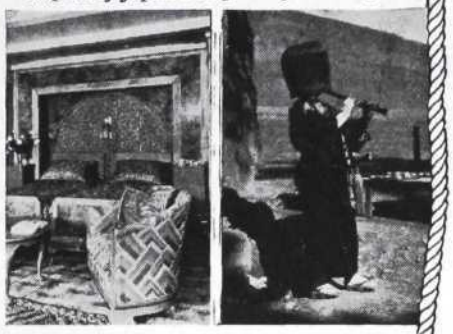
● **"ON-YOUR-OWN" WORLD TOURS** ... Go east or west, wherever you want. Stay as long as you please. Shore excursions when and where you want them. *Over 200 routes!* Tickets good for two years. First Class and Tourist Class. Low Fares.

● **FORTNIGHTLY SAILINGS TO HONOLULU AND ORIENT**... from Vancouver (trains to ship-side) and Victoria. First, Tourist and Third Class. Orient fares include passage from Seattle. Reduced round-trip fares. If you sail from San Francisco or Los Angeles, connect with "Empresses" at Honolulu.

Information, your own agent, or Canadian Pacific: New York, Chicago, San Francisco, Montreal, Vancouver, and 30 other cities in the U. S. and Canada.

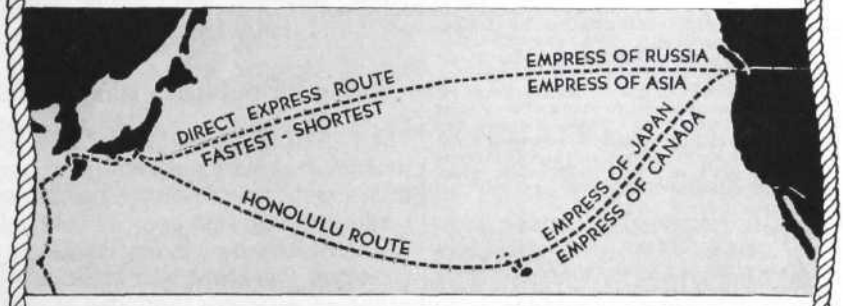


Empress of Japan ... pride of the Pacific



Travel in comfort ... to the fabled Orient

Canadian Pacific



GO EMPRESS TO THE **ORIENT** HONOLULU JAPAN · CHINA MANILA

When writing your own agent or a CANADIAN PACIFIC *office please mention Nation's Business*

Family Men Can't Afford to Take Chances

THE MAN with family responsibilities cannot afford to gamble with the future of those dependent on him.

That's why he turns with confidence to the protective features of life insurance. With it his plans cannot fail, whatever happens.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

JOHN HANCOCK INQUIRY BUREAU
197 Clarendon Street, Boston, Mass.

Please send me information about life insurance for protection.

Name.....

Street and No......

City..... *State*.....

N.B. 2-34

One Year From Today

What Will You Be Earning?

This may be the most important year in your life! Your whole future is apt to depend on how you take advantage of present business changes.

The "New Deal" is opening up new jobs, creating unusual opportunities, bringing back prosperity. But that does not insure prosperity for you. Only you can insure that.

For months—maybe years—employers will be able to pick and choose out of the millions now unemployed or dissatisfied with their work and pay. Naturally they will pick the men with most preparation and ability.

You should—you must—make yourself quickly more valuable—to protect what you have and to insure getting your share of the promotions and pay raises. It is being done by OTHERS—it can be done by YOU!

Ask us to send you full details about our new spare time training, and to explain how it prepares you to meet today's demands and opportunities, also about our salary-increasing plan. If you really are in earnest, you should investigate *at once*. Check your field below, write your name and address, and *mail*.

LaSalle Extension University
Dept. 2374-R Chicago

Send me, free, the facts about the demands and opportunities in the business field I have checked —and about your training for that field.

☐ Higher Accountancy
☐ Expert Bookkeeping
☐ Business Management
☐ Traffic Management
☐ C. P. A. Coaching
☐ Grocery Store Management
☐ Modern Salesmanship
☐ Industrial Management
☐ Modern Foremanship
☐ Business English
☐ Law—LL. B. Degree
☐ Commercial Law
☐ Stenotypy
☐ Effective Speaking

Name

Present Position

Address

Shall Uncle Sam Help Buyers?

AMONG plans being offered for safeguarding and furthering the interests of the consumer, that third and assertedly neglected member of the NRA trinity, are two that have interesting implications. One of these is the proposal, offered by the Committee on Consumer Standards of the Consumers' Advisory Board of NRA, "to develop standards for consumer goods by establishing a consumer standards board and funds for basic testing."

To put this proposal more simply, it calls for setting up and financing a government board which would specify and popularize certain standards and appropriate markings for goods sold over the counter.

This Consumer Standards Board, under the plan, would be "established at once under the Consumers' Advisory Board of NRA and Consumers' Counsel of AAA." The board itself would do no laboratory research "or in any way overlap adequate work under way in any arm of the government service." It would, however, in the language of the proposal, "provide for the first time in our governmental administration a central planning, coordinating, and standards promulgating agency in the field of consumer standards."

The board would be made up of a technical staff, consisting of a director and "commodity specialists" in charge of various commodity fields, and an interdepartmental coordinating committee. This last would be advisory to the technical staff and would include representatives of existing government agencies whose work touches this field.

In developing standards for consumer goods, the proposed board, after studying past accomplishments in this direction and determining present needs, would define minimum specifications for given products and, where possible, establish grades for them.

Would publicize standards

"SUITABLE standards" would be promulgated as national consumer standards and the board would cooperate with certain government agencies and other suitable bodies in winning consumer acceptance. The board also would analyze proposed standards "in terms of cost to the consumer in order to obtain for each set of standard grades the optimum relation between cost and quality."

In terms of cost to taxpayers—and also to consumers, since we all are both —the first year's ministrations of the board would require, for salaries, travel, supplies and so on, $65,000. In addition, special funds for research and testing of "not less than $250,000" are urged.

Why we, as consumers, need this proposed government guidance in buying our peas, beans and porridge, our shoes and sealing wax, if not indeed our ships, is because we have lost that fine old flair for bargain hunting, that faculty for getting our money's worth that once distinguished us. In the words of the Committee "the consumer is far less able to be his own judge of quality today when goods are very numerous, highly fabricated and sold under thousands of brand names than when goods were relatively few, simply fabricated and familiar to him through his direct experience in producing and handling them."

The Huddleston bill

PERHAPS worthy of mention is another consumer-protection plan, a bill introduced in Congress by Representative George Huddleston (Democrat, Alabama) "to prevent frauds in commerce and for other purposes." It would authorize the Bureau of Standards "to adopt and prescribe marks indicating the quality, durability, usefulness, size, strength, grade, quantity, composition, origin, date and process of production, weight and measure of all of the objects of commerce" and to adopt regulations for the use of such marks.

The implications of these plans for making all or many sorts of merchandise carry symbols of grade and quality have not yet been fully explored.

However, there is a growing alarm among advertising men and publishers, to name two groups, that such plans represent another plot of the "professors" to destroy advertising, if not indeed to strike a heavy blow at the whole profit system.

If consumers, through a government agency and through government publicity, are induced to buy goods on the basis of government specifications rather than on the reputation of the manufacturer or his brand, will that not, they ask, pretty largely destroy one of the strongest reasons for advertising?

Will it not likewise, they ask, tend to destroy the value of the huge investments which hundreds of companies have made in popularizing those brands? And, if advertising is destroyed, point out certain publishers, a drastic revision of the publishing business—now largely supported by advertising revenues—would necessarily follow.

These are only preliminary, early and hasty opinions on the new plans. Such projects are so far-reaching in their implications that they promise to stir up a bitter fight.—P. H. H.



WHEN YOU SAY that "Canadian Club" is a *fine old whisky,* you have world-wide judgment to confirm you. Insuring quality and purity by his careful distilling processes, Hiram Walker was in no haste to market his first "Canadian Club" 75 years ago. For he knew—as you do—that proper aging makes the best of whisky better. Today Hiram Walker & Sons—operating on a scale undreamed of in 1858—still cling fast to the original Walker principles. Quality and purity are paramount. Aging must go on for years. With principles such as these back of it, any product which bears the Hiram Walker name will conform to the high standard of value established by "Canadian Club."

Hiram Walker & Sons

WALKERVILLE, ONTARIO · · PEORIA, ILLINOIS

This advertisement is not intended to offer CANADIAN CLUB WHISKY for sale or delivery in any State or community wherein the advertising, sale or use thereof is unlawful.

He failed—

Because he was *"slipped up on"* from behind



HE FAILED—BECAUSE a process, discovered and developed in another industry, made his product out-of-date. He found his market had disappeared—found the reason too late.

Efficient management is not enough nowadays. External forces often determine success or failure. New processes . . . new practices . . . new discoveries in science . . . new inventions . . . new legislation . . . new international agreements . . . new methods of distribution. These are the factors, often unseen and unexpected, that affect every business.

TO KNOW what is going on; what to expect, not in their own industries alone, but in all business and in government, 256,286 business men subscribe for NATION'S BUSINESS. (*More than a million business men read these 256,286 copies.*) Their responsiveness is reflected in substantial gains in advertising linage.

Every issue since August has carried more advertising than the corresponding issue of 1932. January, 1934, was 42% ahead of January, 1933.

NATION'S BUSINESS
WASHINGTON

READ
Each Month

What's Going On in Washington by Willard Kiplinger—brief, pungent paragraphs, summarizing Washington activities, Washington opinions. See page 19, this issue.

No Business Can Escape Change—edited by Paul Hayward—a score of items about new processes, new devices, new materials. See page 16.

The Map of the Nation's Business by Frank Greene—a quick view of business conditions in the United States, with reasons why business is good, fair or quiet. See page 23.

Charting the Course of Business by the editors—comment on and interpretation of the month in business and government. See page 25.

New Ideas in Selling—a page of brief paragraphs on merchandising, distribution, packaging. See page 28.

An Editorial by Merle Thorpe—See page 11.

How the Oldest Code is Working

(Continued from page 18)

capacity is another possibility against which protection has been afforded by NRA. Obviously, with more equipment in the cotton textile industry than can be profitably operated without limitation, a tendency on the part of some mills to compensate for code restriction by extending their mechanical facilities would intensify the problem of overcapacity. The Cotton Textile Industry Committee at once recognized the needs of this situation. Upon its recommendation, the Administrator has authorized to require registration of present productive machinery, reporting of additional installations and certification for new installations. There is no barrier in this to progress or increased efficiency. Improved equipment may be installed to replace less efficient equipment or for balancing purposes. But a reasonable degree of control, with the concurrence of the Administrator, supplements the advantages derived from limitation on machine hours by providing emergency means for curbing unnecessary and wholly unwarranted increase of productive facilities.

Restraints must always permit, as they do under the cotton code, the fullest measure of production that consumption can absorb. But industry and the public must realize, if NRA is to succeed, that uncontrolled overcapacity which for years has oppressed stockholders, employees and the consumers alike, must be held within reasonable limitations and control.

New Things—New Jobs

HOW a new industry can broaden the market horizons of an established trade is suggested in the forecast of increased sales for awnings and kindred products through the stimulus of air conditioning. J. J. Donovan of the General Electric Company estimates that electrically controlled shades will cut home refrigerating costs by 16 to 30 per cent.

As everyone can see, the benefits are not restricted to the occupants of the dwellings so equipped. "Just as good roads, garages, and filling stations have come with automobiles, so will a virtual reorganization of the awning industry come with the growth of air conditioning." What is usually overlooked in these expansions of industrial opportunity is the resultant employment of many additional workers—its own refutation of the persistent idea that new salients of technology abolish the need for men.

Lurelle Guild says

"Distinction in design can be happily accomplished in the varied use of well selected materials"



AND we may add that "distinction in design" has a very potent sales appeal. Of two articles of equal technical merit, who would not prefer, and buy, the one which is distinguished by beauty of form, color, material and finish. In his designs for the aluminum utensils, shown on this page, Mr. Guild has used the silvery sheen of the metal as a most effective foil for the lustrous black Bakelite Molded handles and knobs.

Manufacturers who "Design for Selling", using the talent and training of a skilled artist-designer, are taking a long step towards sales leadership. The public is rapidly becoming beauty conscious, and products lacking in eye appeal will become increasingly hard to sell, regardless of intrinsic merit.

The foremost product designers have found that Bakelite Materials frequently lend themselves to the practical and economical interpretation of their ideas. These materials, both molded and laminated, possess unusual strength and last indefinitely. You may obtain them in a wide variety of most attractive colors. An idea of the many opportunities which they afford may be obtained by sending for illustrated Booklets 1M, "Bakelite Molded" and 1L, "Bakelite Laminated". We also would be glad to have you consult us about improving design through the use of Bakelite Materials.

Lurelle Guild, 545 Fifth Avenue, New York, is a product designer with a notable record of success. The long list of designs which he has created includes those for such products as cooking utensils, refrigerators and Pullman cars.

BAKELITE CORPORATION, 247 Park Ave., New York . . . 43 East Ohio St., Chicago
BAKELITE CORPORATION OF CANADA, LTD., 163 Dufferin Street, Toronto, Ontario



BAKELITE

REGISTERED U. S. PAT. OFF.

The registered trade marks shown above distinguish materials manufactured by Bakelite Corporation. Under the capital "B" is the numerical sign for infinity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products.

THE MATERIAL OF A THOUSAND USES

When writing to BAKELITE CORPORATION *please mention Nation's Business*

We Suggest

You invite a C. I. T. representative to go over with you your company's sales financing situation. It is important that credit arrangements keep step with changing conditions.

- C. I. T. finances the sale of many and diverse types of income-producing machinery and equipment for mill, mine, factory and shop.
- Also equipment for contractors, garages, hotels, restaurants and theatres. Diesel engines, electric light plants, etc.
- C. I. T. Financing Plans cover automobiles, electric refrigerators, oil heaters, electric ranges, air conditioning equipment and other electrical products. A large percentage of the country's successful manufacturers and dealers in these lines use C. I. T. Service.
- Each C. I. T. Local Office is a complete sales financing unit . . . checking credits, discounting paper, making instalment collections, quickly, without red-tape.

Akron – Albany – Altoona – Amarillo – Asheville – Atlanta – Augusta
Baltimore – Bay Shore – Beaumont – Beckley – Binghamton – Birmingham
Boise – Boston – Bridgeport – Bronx – Brooklyn – Buffalo – Camden
Charleston – Charlotte – Chattanooga – Chicago – Cincinnati
Clarksburg – Cleveland – Columbia – Columbus – Dallas – Dayton
Denver – Des Moines – Detroit – El Paso – Erie – Fort Wayne – Fort
Worth – Fresno – Glens Falls – Greensboro – Greenville – Hagerstown
Harrisburg – Hartford – Hempstead – Houston – Huntington
Indianapolis – Jacksonville – Jamaica – Jamestown – Jersey City
Johnson City – Kansas City – Knoxville – Lexington – Lincoln – Little
Rock – Los Angeles – Louisville – Manchester – Memphis – Miami
Milwaukee – Minneapolis – Montgomery – Montpelier – Mt. Vernon
Nashville – Newark – Newburgh – New Haven – New Orleans – New York
Norfolk – Oklahoma City – Omaha – Orlando – Paterson – Peoria – Perth
Amboy – Philadelphia – Pittsburgh – Portland, Me. – Portland, Ore.
Poughkeepsie – Providence – Raleigh – Reading – Reno – Richmond
Roanoke – Rochester – Sacramento – St. George – St. Louis – Salt Lake City
San Antonio – San Diego – San Francisco – San Jose – Scranton
Seattle – Spokane – Springfield – Stockton – Syracuse – Tallahassee
Tampa – Toledo – Tucson – Tulsa – Utica – Washington – Watertown
Wheeling – White Plains – Wichita – Wilkes-Barre – Youngstown.

BANKERS TO INDUSTRY EVERYWHERE

COMMERCIAL INVESTMENT TRUST INCORPORATED

Executive Offices: One Park Ave., New York

Affiliated Operating Companies with Head Offices in New York — Chicago — San Francisco — Toronto, Canada
Also Completely Functioning Local Finance Offices in the Principal Cities

Unit of COMMERCIAL INVESTMENT TRUST CORPORATION—CAPITAL AND SURPLUS OVER $70,000,000

NRA MEMBER U.S. WE DO OUR PART

When phoning a C. I. T. office please mention Nation's Business

What Bankers and Investors Discuss

THE bankers' code provided one of the lively episodes of NRA's activities. First it was—and then it wasn't. The New York bankers produced an elaborate plan for service charges on carrying accounts of various sizes, charges for collection of checks and making deposits. It was announced that the code had the approval of General Johnson.

The next day General Johnson said, "no such thing." There had been no approval.

The bankers retorted that they had understood that the master code for banking had been approved, and that they had to act before the end of the year. Hence the metered service plan.

Profitless accounts

THE so-called master code which apparently yielded to another master in General Johnson contained this provision:

> No account shall be carried at a loss to the bank or at the expense of other accounts or other depositors. There shall be no exceptions to this rule. It shall apply equally to church organizations, charitable institutions, fraternal organizations and the like, the accounts of banks, bank officers and employees, the accounts of their families and relatives, the personal accounts of corporation officials, members of firms or other business concerns, regardless of the size of the accounts maintained by such corporation, firm or other business.

This was the clause that made the New York bankers jump into action setting a pace which other cities were following or preparing to follow when Washington stepped in.

Big, red accounts

WHAT sort of account is "carried at a loss to the bank?" Ask any really competent banker and he'll tell you some surprising stories. Not long ago I was talking with a banker who might properly be classed as "big." Said he:

> We were studying accounts in our bank and ran across one which carried an average daily balance of around $80,000 as I recall it. The depositor has a solvent profitable business. A good account you'd think? So did the depositor and when we told him we couldn't afford to carry his account, he lost his temper in what might be called a big way. He was going to quit our bank, go to our chief competitor and what would happen to us was our own fault. We dismissed him with our blessing.
>
> What was the trouble? The nature of his business. He was selling by mail and through advertising a low price article. I think it cost $2 and he was getting daily hundreds and thousands of $2 checks and money orders. In addition he was sending out a rather heavy volume of modest sized checks for material. That meant naturally that a large part of his account was "float," in suspension, not in our bank, but in the banks on whom the checks had been drawn.
>
> In addition, the bookkeeping cost was tremendous. The number of items on either side of his account was large in proportion to their size. It might well be that such an account would take all or nearly all of one clerk's time. What's left for profit?

And fat accounts

I RELATED this story one day to another banker. He laughed and said: "Every banker who knows his business and its cost can duplicate that experience.

"And every banker has some—but alas too few—accounts of an entirely different kind. I know of one in my own bank. It's the account of a nice old lady. She's rich, more than comfortably rich, and her pride seems to be in having plenty of available cash. She doesn't draw many checks and she keeps customarily a balance of between $300,000 and $400,000."

Astonished at the public

THE bankers have long known that they were carrying unprofitable accounts but when the storm broke over "metering" accounts, they seemed surprised that the public didn't understand their position and agree with them. Here's the New York *Times* report of the mental attitude of the metropolitan bankers:

"Having passed themselves in recent years through a process of education with respect to 'uneconomic' banking practices and having rested on the belief that they were themselves being pushed into the action, the bankers had not suspected that the public could be so completely unprepared for the institution of uniform service charges on every detail of banking."

Better education

WHICH provokes the question: What have the banks done to tell the public what went on in their minds while "going through a process of education?" Suppose instead of talking about "the bank of friendly service," and all the other pleasant phrases that the banks have used to invite new accounts, a group of clearing house banks had put in newspapers paid educational advertising headed,

I can't take your account
and I'll tell you why.

Wouldn't the public have been readier to understand charges for carrying accounts?

The middleman

BUSINESS has been all too ready to say "the public doesn't understand" when it has taken no pains to make the public understand. "Cut out the middleman" is a common cry, echoed sometimes by other business men. But how much has the middleman ever done to explain his necessary part in the complex world we live in? How many men and women would "do away with the middleman" and in the same breath "stretch out a helping hand to the small merchant?"

Yet the small merchant can't live without the middleman while the chain store needs him less.

The utilities complain that they are misunderstood. Have they ever tried to tell the public that they are more merchants than manufacturers; that the cost of distribution is their greatest problem?

Criticism on all sides

WHETHER there was a lack of understanding or not, there was an immediate outcry against the code issued in New York. Smaller banks in outlying cities protested against the plan; small depositors figured that they would have to keep money in the feminine stocking or the masculine trousers pocket. And other more impressive voices were heard. Henry Ward Beer, president of the Federal Bar Association, congratulated General Johnson on "courageous action in blocking the conspiracy to rob penniless depositors through overt acts of the American Bankers Association, long a common enemy."

Complicating bank capital

MEANWHILE the process of bringing the banks of the country under federal control seems to go forward. About 99 per cent of the banks of the country are under Federal Deposit Insurance and some 4,500 of them had up to December 30 sold preferred stock or capital notes to the RFC. The total amount subscribed for by the banks up to the end of the year was about $800,000,000. Un-

Guaranty Trust Company of New York

MAIN OFFICE 140 Broadway — FIFTH AVE. OFFICE Fifth Ave. at 44th St. — MADISON AVE. OFFICE Madison Ave. at 60th St.

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

Condensed Statement, December 31, 1933

RESOURCES

Cash on Hand, in Federal Reserve Bank, and due from Banks and Bankers		$ 202,490,022.07
U. S. Government Securities		393,765,199.42
Notes of Reconstruction Finance Corporation		29,637,638.03
Public Securities		77,183,909.84
Stock of the Federal Reserve Bank		7,800,000.00
Other Securities		22,137,673.81
Loans and Bills Purchased		541,614,198.56
Real Estate Bonds and Mortgages		2,393,976.64
Items in Transit with Foreign Branches		272,729.92
Credits Granted on Acceptances		106,189,768.58
Bank Buildings		14,071,404.72
Other Real Estate		114,456.50
Accrued Interest and Accounts Receivable		21,882,834.59
		$1,419,553,812.68

LIABILITIES

Capital	$ 90,000,000.00	
Surplus Fund	170,000,000.00	
Undivided Profits	7,985,635.76	
		$ 267,985,635.76
Capital Note (Payable on or before July 31, 1934)		20,000,000.00
Accrued Interest, Miscellaneous Accounts Payable, Reserve for Taxes, etc.		5,708,549.19
Acceptances		106,189,768.58
Liability as Endorser on Acceptances and Foreign Bills		87,207.00
Deposits	$994,126,731.51	
Outstanding Checks	25,455,920.64	
		1,019,582,652.15
		$1,419,553,812.68

WILLIAM C. POTTER, President

DIRECTORS

GEORGE G. ALLEN . . Vice-Chairman, British-American Tobacco Company, Limited, and President, Duke Power Company
W. W. ATTERBURY . . President, Pennsylvania Railroad Company
EDWARD J. BERWIND Chairman of the Board, Berwind-White Coal Mining Company
W. PALEN CONWAY Vice-President
CHARLES P. COOPER Vice-President, American Telephone & Telegraph Company
HENRY G. DALTON . . of Pickands, Mather & Company
JOHN W. DAVIS . . . of Davis Polk Wardwell Gardiner & Reed
HENRY W. de FOREST
ARTHUR C. DORRANCE . President, Campbell Soup Company
EDWARD D. DUFFIELD President, The Prudential Insurance Company of America
CHARLES E. DUNLAP . . President, Berwind-White Coal Mining Company
LEWIS GAWTRY President, The Bank for Savings in the City of New York
ROBERT W. GOELET Real Estate
PHILIP G. GOSSLER President, Columbia Gas & Electric Corporation
EUGENE G. GRACE President, Bethlehem Steel Corporation
W. A. HARRIMAN of Brown Brothers Harriman & Co.
JOHN A. HARTFORD . . President, The Great Atlantic & Pacific Tea Company
DAVID F. HOUSTON . President, The Mutual Life Insurance Company of New York
CORNELIUS F. KELLEY President, Anaconda Copper Mining Co.
THOMAS W. LAMONT of J. P. Morgan & Co.
CLARENCE H. MACKAY President, Commercial Cable-Postal Telegraph System
GRAYSON M.-P. MURPHY of G. M.-P. Murphy & Co.
WILLIAM C. POTTER President
LANSING P. REED . . of Davis Polk Wardwell Gardiner & Reed
GEORGE E. ROOSEVELT . of Roosevelt & Son
VALENTINE P. SNYDER Retired
EUGENE W. STETSON Vice-President
STEVENSON E. WARD Banker
CORNELIUS VANDERBILT WHITNEY Banker
GEORGE WHITNEY . of J. P. Morgan & Co.
THOMAS WILLIAMS of I. T. Williams & Sons

When writing to Guaranty Trust Company *please mention Nation's Business*

doubtedly, some banks welcomed this opportunity to strengthen weakened capital to make it possible to meet the demands of the Federal Deposit Insurance Corporation (which added FDIC to Alfred Emanuel Smith's alphabet soup).

There were many stronger banks which didn't need the added capital and were quite capable of meeting the call of the FDIC.

To these banks Jesse Jones offered RFC debentures drawing 2¼ per cent and running about two years.

The banks needn't worry. The Government will lend 'em money and then show 'em where to invest it.

"Why need a banker think?" asked an office visitor.

Nothing is bad banking?

ONE clause of Mr. Jones' New Year's message to the banks read as follows:

"Many banks are endeavoring to make loans, but some are continuing to force collection of the so-called slow loan, regardless of how secure the loan may be.

"This procedure must necessarily have a bad effect upon the market value of the security, regardless of its character as well as upon the morale of the borrower.

"We must have confidence, not only in the President, but in our country and our values."

The banker, I gather, needn't try to collect slow loans; just rely on "our country," and look out for the "morale of the borrower." Your deposits are insured. Why worry?

Which raises again the visitor's question, "Why need a banker think?"

Who runs the bank?

THE inquiry has been made over and over again: What is the extent of the federal control over the banks which have sold preferred stock or capital notes?

Perhaps there isn't any answer that would cover all banks. Depends on the amount the Government has invested.

But, the officers of every bank which had accepted federal funds were disturbed by reports of what had happened to the Continental Illinois National Bank which had $50,000,000 preferred in RFC control. The Continental had asked George A. Ranney, once treasurer of International Harvester, to be chairman of its board. Mr. Ranney will not be.

The report, fairly certain, was that RFC said "no." The second report, less certain, was that the RFC wanted Chairman Cummings of FDIC to have the job and that that was the reason Mr. Ranney withdrew.

In any event, Mr. Cummings has the job.



MONEY MANAGEMENT FOR HOUSEHOLDS

a helpful booklet in budgeting the family income, leading to the happiness of financial security, is offered without charge to your employees and customers. Mail or telephone their names to our nearest office.

OFFICES IN 96 CITIES

Illinois
Alton
Aurora
Bloomington
Champaign
Chicago
Cicero
Decatur
Freeport
Galesburg
Joliet
Moline
Oak Park
Peoria
Rockford
Springfield
Waukegan

Indiana
East Chicago
Evansville
Gary
Hammond
Indianapolis
Michigan City
South Bend

Iowa
Davenport
Des Moines

Maryland
Baltimore

Massachusetts
Boston
Springfield
Worcester

Michigan
Battle Creek
Detroit
Flint
Grand Rapids
Highland Park
Jackson
Kalamazoo
Lansing
Muskegon
Port Huron
Saginaw

Missouri
Kansas City
St. Joseph
St. Louis

New Jersey
Camden
Jersey City
Newark
Paterson
Trenton

New York
Albany
Binghamton
Brooklyn
Buffalo
Flushing
Fordham
Hempstead
Jamaica
New York
Niagara Falls
Rochester
Syracuse
Utica

Ohio
Canton
Cincinnati
Columbus

Pennsylvania
Allentown
Altoona
Chester
Easton
Erie
Johnstown
Lancaster
McKeesport
New Castle
Norristown
Philadelphia
Pittsburgh
Reading
Scranton
Wilkes-Barre
York

Rhode Island
Pawtucket
Providence

Wisconsin
Appleton
Beloit
Eau Claire
Fond du Lac
Green Bay
Kenosha
La Crosse
Madison
Milwaukee
Oshkosh
Racine
Sheboygan
Superior
Wausau

Why must your customers and employees pay more for

Family Loans

than you pay for

Bank Loans

FIRST, we are not bankers and do not accept deposits. We must borrow money at banking interest to be re-loaned in small amounts, an average of only $178 per customer.

Our customers have no negotiable collateral to offer for these loans. The borrowers have no audited statements of their financial affairs. It costs money and takes experience to appraise assets and character—the ability and willingness to repay.

Household loans must be collected in small monthly installments over a period of 20 months: an expensive operation.

The maximum rate which may be charged by family finance organizations is regulated by state law. Though hardly another competitive business is told what its markup may be, regulation of small loans, *intelligent* regulation is undoubtedly a good thing. Frequently, however, uninformed legislators and political interests and demagogs bring the oppression of unintelligent regulation.

Competition between family finance companies is severe. Obviously each company would offer a lower rate than its competitor were it possible without losing money.

This corporation provides the consumer with a needed source of cash to meet his emergencies and opportunities . . . cash at the lowest possible cost consistent with sound business policy.

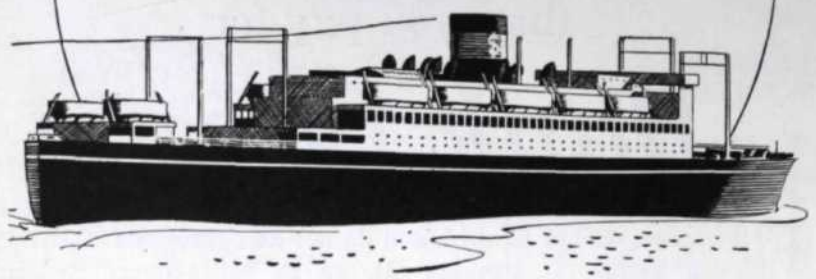
Business men know a retail price must cover operation costs and a reasonable profit. Efficiencies never can reduce retail prices to the level of wholesale prices. However, when methods are devised which permit renting the use of money to families at rates lower than 2½ to 3½% a month on unpaid balances now charged, Household will be found using these methods.

Seventy-seven per cent of the urban population of the United States lives in territory where personal finance agencies are provided under the Uniform Small Loan Law. Of the fifty cities east of the Mississippi having a population of more than 100,000, only Washington, D. C., Birmingham, Ala., and Louisville, Ky. are deprived of personal finance service by inadequate legal provisions.

HOUSEHOLD
FINANCE CORPORATION

Headquarters: Palmolive Building, Chicago, Illinois

Sail to
CALIFORNIA
on a famous Round the World
or Trans-Pacific Liner



Cruise through the Panama Canal to California. Sail any Thursday from New York on a luxurious President Liner. One that brings the superb thrill of real world-travel to this speedy intercoastal trip . . . Spend two glorious weeks with entertaining people from the world's most fascinating places. Visit Havana and the gay foreign cities that edge the Canal. Stopover if you please, continue on the next or a later President Liner. First Class from $165. See your own agent or any of our offices. New York, Chicago, San Francisco, Los Angeles . . . and other principal cities.

DOLLAR Steamship Lines



METAL BADGES
Made of any metal and shape. Employee, Convention, Advertising, Identification, Fraternal, etc.
L. F. GRAMMES & SONS, Inc. 350 UNION ST. ALLENTOWN, PA.

BEE-LINE TO PROSPERITY

Bristol, England, is thriving. The Development Board, 1, Bristol Bridge may have some successful idea for you. Why not write?

NATION'S BUSINESS . . .

has had the benefit of 17 years' editorial experience keeping business men informed of what to expect from Government.

It is ideally equipped to help you find the answers to puzzling questions concerning the new Governmental activities. Clear and concise articles deal with every phase of the complex program for industrial recovery.

If You Are Already A Subscriber, Hand This Coupon to a Friend.

NATION'S BUSINESS
Washington, D. C.

Please send NATION'S BUSINESS to me for

☐ One year $3.00 ☐ Three years $7.50

Name

Address

Where to Find Employment

(Continued from page 24)

done at all, it must be done by the people themselves, the Government stimulating and assisting, but not supplying the bulk of the funds. This means that conditions must be such that private effort will be directed into this channel of activity with the prospect of a reasonable reward.

To be more specific, some of the conditions essential to the carrying out of such a project are:

1. As the purpose would be to provide decent homes at modest rentals, the cost of the land must be kept within reasonable limits. In the case of slum clearance projects, municipalities might bear a portion of this cost in view of compensating advantages such as improvement in sanitary conditions, reduction of crime and lowering of administrative costs.

2. Construction costs must be kept to the lowest possible level. This might be accomplished, in part, by standardization of building and equipment units, such as doors, windows, bath room and kitchen equipment. Price concessions might be made on orders for materials and equipment which may be filled during "off" seasons when normal demands for goods of this type slackens. In view of the assurance of continuous employment throughout the greater part of the year, labor could well afford to accept wage scales based on annual rather than hourly earnings.

3. Taxes on new houses might, for a period, be kept within the present limit of taxes on the land and old buildings to be torn down to make way for the improvements.

4. To encourage private capital to enter the low-cost housing field, the Government, instead of offering an outright bonus, as has been the practice in many European countries, might assume a second mortgage or equity ownership up to 20 per cent of the cost of the properties, receiving a moderate rate of interest.

To set in motion this important enterprise, I would suggest the formation of a government housing corporation with ample capital under the supervision of three commissioners to be appointed by the President. In this corporation would be centralized all the housing activities of the Government possibly including the development of subsistence homesteads. This parent corporation should be organized for the purpose of stimulating rehousing through the formation of local housing corporations to whose capital it should subscribe say, 20 per cent.

It should also be the function of the parent corporation to approve the plans and locations of local housing corporations, to assure low prices of supplies and materials by placing large orders for standardized products which can be resold to local companies, and by research to devise plans for lowering construction costs.

If such a plan could be put into operation, it would constitute a direct attack upon the most formidable obstacle that still lies in the way of recovery, the stagnation of the durable goods industries. It would probably lead to the employment of most, if not all, of the workers in those industries who are now idle. It would restore the normal balance as between consumer goods and durable goods industries. It would result in the clearing away of slum districts, the source of some of the most baffling social evils, and, let us hope, increase measurably the contentment of the people upon whom the continuance of the march of economic progress depends.

Responsibility . . .

"IN THE more rational and disciplined society which is now indicated, the humblest will be made to feel a new sense of responsibility to his community. Private initiative will have to submit to the guidance of the corporate intelligence with a long view to the general interest."

CHARLES D. MAGINNIS, vice president, American Institute of Architects, in the Boston *Transcript*.

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

Index of ADVERTISERS

February • 1934

	PAGE
A. P. W. Paper Company	6
Acme Card System	1
Aluminum Company	38–39
American District Telegraph Co.	54
American Sheet & Tin Plate Co.	72
American Steel & Wire Co.	72
American Telephone & Telegraph Company	2nd Cover
American Tobacco Company	4th Cover
Bakelite Corporation	65
Bristol Development Board	70
Burroughs Adding Machine Company	29
Canadian Pacific	61
Carnegie Steel Company	72
Celotex Company	48
Chesapeake & Ohio	8
Commercial Investment Trust Corporation	66
Detex Watchclock Corporation	44
Dick, A. B., Company	12
Ditto, Inc.	51
Dollar Steamship Lines	70
Ediphone, Thos. A. Edison, Inc.	60
Egry Register Company	50
Equitable Life Assurance Society	9
Felt & Tarrant Mfg. Company	59
Ford Motor Company	45
French Line	57
Goodyear Tire & Rubber Co. Inc., The	7
Grammes & Sons, Inc., L. F.	70
Guaranty Trust Company	68
Hammermill Paper Company	3
Household Finance Corporation	69
Illinois Steel Company	72
International Business Machines Corporation	4
International Nickel Company	2
Iron Fireman Mfg. Company	56
John Hancock Mutual Life Ins. Company	62
Kimberly-Clark Corporation	40–46
La Salle Extension University	62
Metropolitan Life Insurance Co.	31
Mutual Fire Insurance	47
National Board of Fire Underwriters	53
National Tube Company	72
New York Trust Company	10
Pneumatic Scale Corporation	49
Prudential Insurance Co. of America, The	46
Reo Motor Car Co.	43
Republic Rubber Company	58
Reynolds, R. J., Tobacco Co.	37
Standard Register Company, The	71
Underwood Elliott Fisher Company	55
Westinghouse Electric Elevator Company	3rd Cover

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

This is one of a series of editorials written by leading advertising men on the general subject of advertising

The Silver Lining

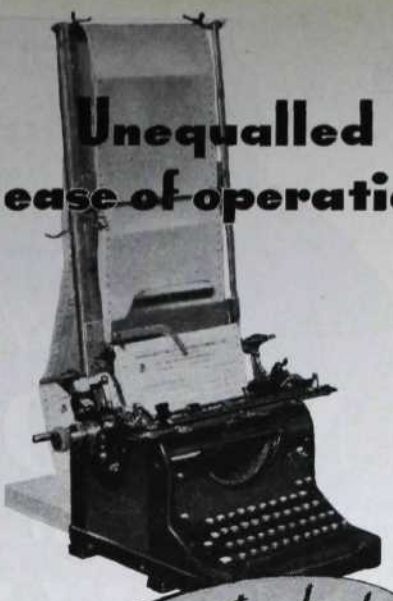
WHATEVER final form the Pure Food and Drug Act takes, discussion aroused by the Tugwell Bill has served a useful purpose in focusing attention on advertising.

True, perhaps, the immediate effect of this discussion has been injurious. In attacking misleading advertising, proponents of the bill may well have impaired confidence in all advertising. Yet this wide discussion has exposed to public view spots within the profession of which advertising men have been conscious. Among ourselves we have discussed and deplored them. We have known that advertising misrepresentations by the few detracted from the honest advertising of the many.

Now we see the critics both within and without the profession become more articulate, the ills more sharply defined. Is it too much to hope that advertising may gain from these circumstances both the means to cure its own ills and the will to use them? Better this, both for its own and the public good, than that unskilled hands apply the heroic treatment prescribed in the Tugwell Bill or—the ever-present alternative—its future equivalent.

E. V. THOMPSON
Director of Advertising
Nation's Business

Unequalled ease of operation



marks Standard's new carbon shifter

Observe the new Standard Carbon Shifter attached to the typewriter in the illustration. When used with the Registrator Platen, it takes a new advantage of the famous Standard Kant-Slip principle. The result is unequalled performance of a carbon shifting mechanism for typewriters and platen type billing machines.

With the Standard Carbon Shifter the carbons automatically feed between the Kant-Slip continuous forms into the right position for typing. When a form has been typed, the operator makes a slight movement of the shift device, and with military precision the carbons shift into their proper new position for typing the next set of forms. No backing of forms around the platen! No re-adjustment of forms — the Registrator Platen holds the alignment *always!* These business forms, distinguished by the marginal punches, absolutely *can't slip!*

Inquire about a demonstration of the new Standard Carbon Shifter. Fill in the coupon below. No obligation.

KANT-SLIP
Business Machines Forms
THE CONTINUOUS FORMS WITH THE PUNCH

The Standard Register Company,
Business Machines Forms Division,
Dayton, Ohio.

We would like {a demonstration of / literature about} your Kant-Slip Forms and your new Carbon Shifter for typewriters and billing machines.

Name..... Firm.....

City..... State.....

(N. B.-2)

When writing please mention Nation's Business



Into the NEW DAY WITH "STAINLESS"

ARCHITECTS and designers, craftsmen, fabricators, manufacturers and all users find in U S S Stainless Steel the accomplishment of many a thought and desire never before realized—a modern material for the modern age. Scientifically produced, thoroughly tested, and exactly reduced to formula—there are six principal compositions, each suited to a particular range of requirements.

Immunity to corrosive attack under severe exposure, heat resistance, tensile strength, working qualities, appearance, cost—these and other considerations will be important to users of these high grade Stainless Alloy Steels, depending on the proposed applications. Advice will be given as to the best choice for any stated purpose by any subsidiary company of the United States Steel Corporation listed below. Literature describing these alloys will be sent upon request.

U S S Chromium-Nickel Alloy Steels are produced under licenses of Chemical Foundation, Inc., New York; and Fried. Krupp A. G. of Germany.

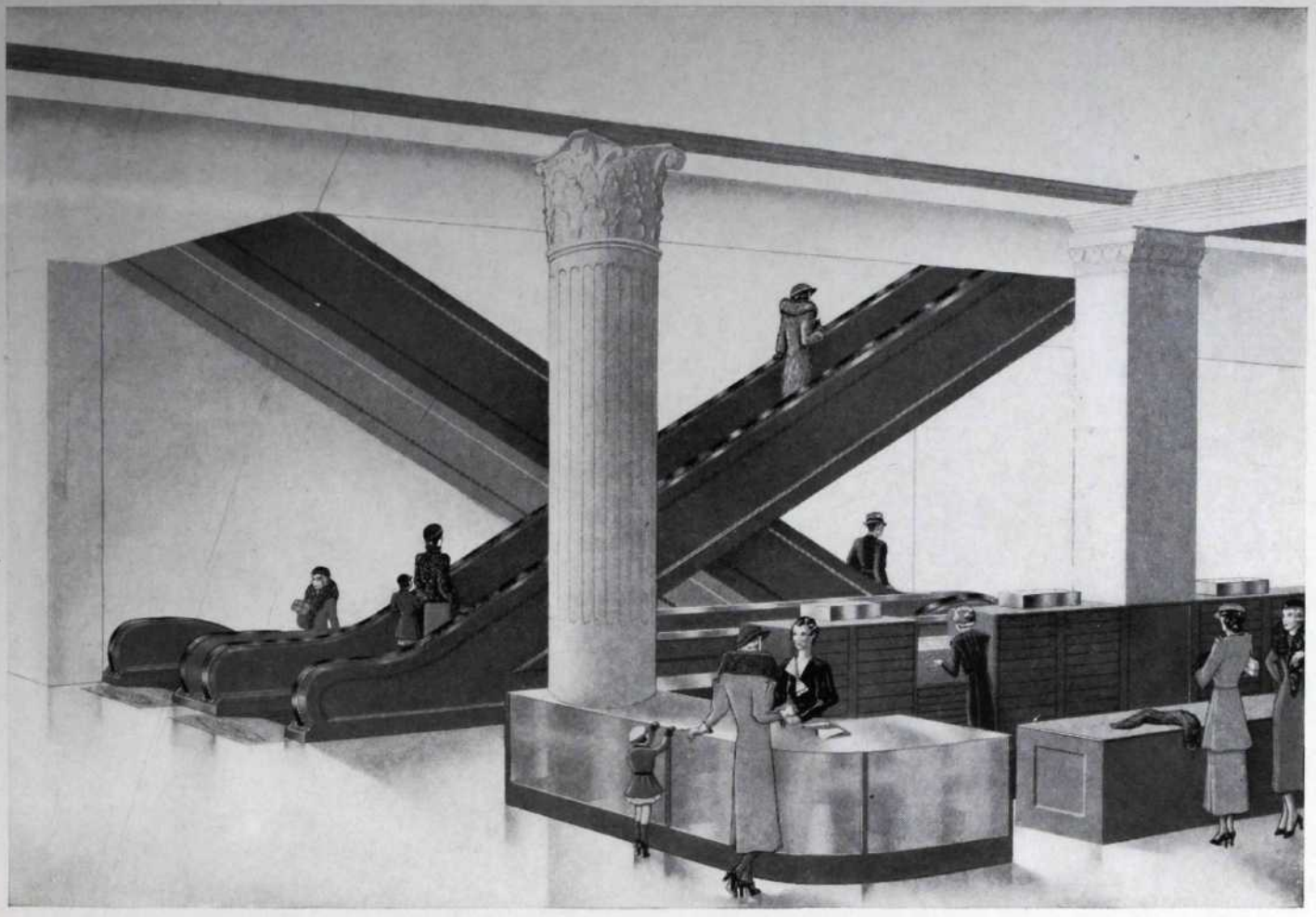
AMERICAN SHEET AND TIN PLATE COMPANY, Pittsburgh, - Sheets and Light Plates
AMERICAN STEEL & WIRE COMPANY, Chicago, - Cold Rolled Strip Steel, Wire and Wire Products
CARNEGIE STEEL COMPANY, Pittsburgh, - - - Plates, Bars and Semi-Finished Products
ILLINOIS STEEL COMPANY, Chicago, - - Bars, Plates, Special and Semi-Finished Products
NATIONAL TUBE COMPANY, Pittsburgh, - - - - - Pipe and Tubular Products
Pacific Coast Distributors—COLUMBIA STEEL COMPANY - - - Russ Building, San Francisco, Calif.
Export Distributors—UNITED STATES STEEL PRODUCTS COMPANY - Hudson Terminal Building, New York, N. Y.

USS

STAINLESS
and Heat Resisting ALLOY STEELS

THE NEW ELECTRIC STAIRWAY
developed by **Westinghouse**

INFLUENCES THE TREND OF MODERN TRANSPORTATION



Arrangement of electric stairways for store installations similar to those being installed in the retail store of Marshall Field & Company, Chicago.

Westinghouse electric stairways now being installed in Marshall Field & Company's retail store will present a number of unusual features including newly developed safety devices. Broad and inviting stairways will operate with such quietness that the comfortable speed with which one is carried either up or down will be scarcely noticeable. Such refinements as are apparent in the Westinghouse electric stairways made it possible for Marshall Field & Company, a leader in finer merchandising, to include this type of transportation in its modernization program for offering the best in service.

Westinghouse Electric Elevator Company

Westinghouse Elevators are the logical highways of modern architecture



Copyright, 1933, The American Tobacco Company

THE HEIGHT OF GOOD TASTE

Reach for a Lucky, for always Luckies Please